

State of New Mexico

Grant County
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT THEREON

For the Fiscal Year Ended June 30, 2016

Grant County
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Grant County
DIRECTORY OF OFFICIALS
June 30, 2016

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 of Grant County, as of and for the year ended June 30, 2016, 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, 2016, 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, 2016.

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, 2016, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund 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, 2016, 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 126 to 130 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 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 28, 2016, 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 28, 2016

Stone, McGee & Co.
Certified Public Accountants

Grant County
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government	Component Unit
	Governmental Activities	Gila Regional Medical Center
ASSETS		
Current:		
Cash and investments	\$ 22,772,896	\$ -
Cash and cash equivalents		6,112,394
Other invested cash		16,766,297
Inventories		2,202,314
Taxes receivable	1,891,941	
Receivables, net	989,524	9,134,060
Prepaid expenses	314,629	628,291
Current portion of assets limited as to use		
	<u>\$ 25,968,990</u>	<u>\$ 34,843,356</u>
Noncurrent assets:		
Bond discounts	\$ 81,471	\$ -
Investments premiums	25,163	
Capital assets, net	116,901,477	33,145,043
Other assets, net		136,416
	<u>\$ 117,008,111</u>	<u>\$ 33,281,459</u>
Total noncurrent assets		
	<u>\$ 142,977,101</u>	<u>\$ 68,124,815</u>
Deferred Outflows of Resources		
Related to pensions	\$ 1,068,362	\$ -
	<u>\$ 1,068,362</u>	<u>\$ -</u>
LIABILITIES		
Current:		
Accounts payable	\$ 778,444	\$ 4,525,822
Accrued liabilities	1,965,110	4,463,563
Compensated absences		2,077,711
Estimated third party payor settlements		487,292
Current maturities of long-term debt	2,568,092	
	<u>\$ 5,311,646</u>	<u>\$ 11,554,388</u>
Total current liabilities		
	<u>\$ 5,311,646</u>	<u>\$ 11,554,388</u>
Noncurrent:		
Bonds payable	\$ 61,715,000	\$ -
Notes payable	3,168,644	
Net pension liability	10,045,002	
Bond premiums	180,731	

Grant County
STATEMENT OF NET POSITION (concluded)
June 30, 2016

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Gila Regional Medical Center</u>
Lease payable	\$ 100,377	\$ -
Compensated absences	628,050	
 Total noncurrent liabilities	 \$ 75,837,804	 \$ -
Total liabilities	<u>\$ 81,149,450</u>	<u>\$ 11,554,388</u>
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	\$ 503,787	\$ -
Unavailable revenue	2,263,565	
 Total deferred inflows of resources	 \$ 2,767,352	 \$ -
NET POSITION		
Net investment in capital assets	\$ 53,807,202	\$ 33,145,043
Restricted for:		
Capital projects	1,518,252	
Debt service	7,854,413	
Other purposes	6,746,153	
Unrestricted	<u>(9,797,359)</u>	<u>23,425,384</u>
 Total net position	 <u>\$ 60,128,661</u>	 <u>\$ 56,570,427</u>

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

Grant County
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
General government	\$ 7,101,539	\$ 1,328,605	\$ 1,036,069
Public safety	10,195,040	91,885	2,531,774
Public works	2,926,326	144,996	383,836
Health and welfare	3,902,825	4,702,993	691,501
Culture-recreation	279,591	16,153	8,600
Loan issue costs	866		
Unallocated interest expense	3,190,236		
	<hr/>	<hr/>	<hr/>
Total governmental activities	<u>\$ 27,596,423</u>	<u>\$ 6,284,632</u>	<u>\$ 4,651,780</u>
Component Unit:			
Gila Regional Medical Center	<u>\$ 75,966,264</u>	<u>\$ 70,209,797</u>	<u>\$ 603,423</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			
Gain/(loss) on disposition of assets			
Total general revenues			
Change in net position			
Net position--beginning of year			
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
\$ -	\$ (4,736,865)	\$ -
	(7,571,381)	
841,486	(1,556,008)	
	1,491,669	
	(254,838)	
	(866)	
	(3,190,236)	
<u>\$ 841,486</u>	<u>\$ (15,818,525)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,153,044)</u>
	\$ 8,409,271	\$ -
	5,916,801	
	178,056	
	501,460	
	81,050	
	2,078,740	
	113,008	
	132,673	80,771
	481,220	751,018
		11,884
	<u>\$ 17,892,279</u>	<u>\$ 843,673</u>
	\$ 2,073,754	\$ (4,309,371)
	<u>58,054,907</u>	<u>60,879,798</u>
	<u>\$ 60,128,661</u>	<u>\$ 56,570,427</u>

Grant County
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2016

	<u>General Fund</u>	<u>Capital Projects HH</u>	<u>Fort Bayard Medical Facility Debt Service</u>
Assets			
Cash and investments	\$ 4,022,877	\$ 3,308,101	\$ 6,934,179
Accounts receivable			
Interest receivable	24,014		
Taxes receivable	1,370,995		
Prepaid expenses	314,629		
Due from other governments	9,936		
Interfund receivable	1,044,675		
Notes receivable			
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 6,787,126</u>	<u>\$ 3,308,101</u>	<u>\$ 6,934,179</u>
Liabilities			
Accounts payable	\$ 101,886	\$ 246,973	\$ -
Salaries payable	355,508		
Interfund payable	42,179		
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 499,573</u>	<u>\$ 246,973</u>	<u>\$ -</u>
Deferred Inflows of Resources			
Unavailable revenue	\$ 2,934,388	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>\$ 2,934,388</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:			
Non-spendable:			
Prepaid expenses	\$ 314,629	\$ -	\$ -
Restricted:			
Capital projects	73,138	3,061,128	
Debt service	90,661		6,934,179
Public safety	317,108		
Health and welfare			
Public works	321,775		
General government	1,351,993		
Equipment purchases			
Culture and recreation			
Assigned:			
Capital projects	331,863		
Culture and recreation	14,819		
Unassigned	537,179		
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>\$ 3,353,165</u>	<u>\$ 3,061,128</u>	<u>\$ 6,934,179</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,787,126</u>	<u>\$ 3,308,101</u>	<u>\$ 6,934,179</u>

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

Other Funds	Total Governmental Funds
\$ 8,507,739	\$ 22,772,896
388,578	388,578
	24,014
520,946	1,891,941
	314,629
566,996	576,932
143,294	1,187,969
	-
<u>\$ 10,127,553</u>	<u>\$ 27,156,959</u>
\$ 429,585	\$ 778,444
136,122	491,630
<u>1,145,790</u>	<u>1,187,969</u>
\$ 1,711,497	\$ 2,458,043
\$ 720,549	\$ 3,654,937
\$ 720,549	\$ 3,654,937
\$ -	\$ 314,629
1,475,821	4,610,087
2,165,050	9,189,890
3,007,515	3,324,623
1,505,660	1,505,660
	321,775
243,981	1,595,974
210,277	210,277
43,190	43,190
	331,863
	14,819
<u>(955,987)</u>	<u>(418,808)</u>
\$ 7,695,507	\$ 21,043,979
<u>\$ 10,127,553</u>	<u>\$ 27,156,959</u>

Grant County
**RECONCILIATION OF TOTAL GOVERNMENTAL
 FUND BALANCE TO NET POSITION OF
 GOVERNMENTAL ACTIVITIES**
 June 30, 2016

Total governmental fund balances	\$	21,043,979
 <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.		116,901,477
Bond premiums and discounts are capitalized and amortized over the life of the bond		
Bond discounts		81,471
Bond premiums		(180,731)
Investment premiums paid are capitalized and amortized over the life of the investment		
Investment premiums		25,163
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		(503,787)
Deferred outflows of resources related to pensions		1,068,362
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		818,905
Receivables subject to the 60 day availability period		572,467
Long-term liabilities are not reported in the funds:		
Net pension liability		(10,045,002)
Bonds payable		(63,950,000)
Notes payable		(3,451,764)
Lease payable		(150,349)
Accrued interest payable		(1,473,480)
Compensated absences		(628,050)
		(628,050)
 <i>Net position of governmental activities</i>	 \$	 <u><u>60,128,661</u></u>

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, 2016

	General Fund	Capital Projects HH	Fort Bayard Medical Facility Debt Service
Revenues:			
Property taxes	\$ 7,495,060	\$ -	\$ -
Gross receipts taxes	2,946,363		
Gas taxes	178,056		
Motor vehicle taxes	501,460		
Other taxes	131,271		
Federal intergovernmental	2,704,897		
State intergovernmental	593,767		
Fines, licenses and permits	8,099		
Charges for services	221,129		4,051,156
Miscellaneous	495,734		9,790
	\$ 15,275,836	\$ -	\$ 4,060,946
Expenditures:			
Current:			
General government	\$ 3,987,244	\$ -	\$ 3,849
Public safety	4,554,727		
Public works	2,793,633		
Health and welfare	63,300		
Culture recreation	59,471		
Debt service:			
Principal	104,744		1,215,000
Interest	5,420		2,801,087
Debt refunding			
Debt issue costs			
Capital outlay	359,921	2,807,760	
	\$ 11,928,460	\$ 2,807,760	\$ 4,019,936
Revenues over (under) expenditures	\$ 3,347,376	\$ (2,807,760)	\$ 41,010
Other financing sources (uses):			
Transfer in	268,715		
Transfer out	(3,033,718)		
Bond discount			
Bond proceeds			
Bond premiums			
Payment to escrow			
Loan proceeds	73,138		
Net change in fund balances	\$ 655,511	\$ (2,807,760)	\$ 41,010
Fund balance, July 1, 2015	2,697,654	5,868,888	6,893,169
Fund balance, June 20, 2016	\$ 3,353,165	\$ 3,061,128	\$ 6,934,179

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

<u>Other Funds</u>	<u>Governmental Funds Total</u>
\$ 939,045	\$ 8,434,105
2,970,438	5,916,801
	178,056
	501,460
62,787	194,058
1,306,380	4,011,277
3,227,635	3,821,402
	8,099
1,954,051	6,226,336
129,526	635,050
\$ 10,589,862	\$ 29,926,644
\$ 1,623,405	\$ 5,614,498
4,448,496	9,003,223
45	2,793,678
2,276,668	2,339,968
78,522	137,993
1,226,352	2,546,096
395,368	3,201,875
	-
866	866
2,067,349	5,235,030
\$ 12,117,071	\$ 30,873,227
\$ (1,527,209)	\$ (946,583)
3,033,718	3,302,433
(268,715)	(3,302,433)
	-
	-
	-
	-
1,541,978	1,615,116
\$ 2,779,772	\$ 668,533
4,915,735	20,375,446
\$ 7,695,507	\$ 21,043,979

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, 2016

Net change in fund balances-total governmental funds	\$	668,533
<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.		515,089
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.		-
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(235,311)
Bond and loan proceeds are reported as financing sources in the funds, In the Statement of Activities, however, issuing debt increased long term liabilities		(1,615,116)
Bond discounts capitalized and amortized over the life of the bond		
Bond discounts		-
Amortization		(7,269)
Bond premiums capitalized and amortized over the life of the bond		
Bond premiums		-
Amortization		41,707
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		787,229
Cost of benefits earned net of employee contributions		(355,722)
Investment premiums capitalized and amortized		
Investment premiums		-
Amortization		(21,156)
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		2,546,096

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, 2016

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.	(22,799)
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>(227,527)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 2,073,754</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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 10,391,781	\$ 11,046,711	\$ 11,042,455	\$ (4,256)
State sources	598,843	776,917	604,491	(172,426)
Federal sources	2,464,294	3,068,300	2,917,538	(150,762)
Fines, licenses and permits	25,250	25,250	8,099	(17,151)
Charges for services	2,220,629	2,322,994	2,383,039	60,045
Miscellaneous	354,210	370,548	492,949	122,401
Total revenues	\$ 16,055,007	\$ 17,610,720	\$ 17,448,571	\$ (162,149)
Expenditures:				
Current:				
General government	\$ 6,410,134	\$ 6,381,729	\$ 6,096,271	\$ 285,458
Public safety	4,298,169	4,610,648	4,533,446	77,202
Public works	3,439,188	3,475,964	2,816,434	659,530
Health and welfare	66,000	66,000	63,300	2,700
Culture and recreation	41,601	46,601	59,221	(12,620)
Capital outlay	236,891	513,844	359,921	153,923
Total expenditures	\$ 14,491,983	\$ 15,094,786	\$ 13,928,593	\$ 1,166,193
Revenues over (under) expenditures	\$ 1,563,024	\$ 2,515,934	\$ 3,519,978	\$ 1,004,044
Other financing sources (uses):				
Transfer in	761,693	894,435	1,605,858	711,423
Transfer out	(3,401,920)	(4,143,357)	(4,271,812)	(128,455)
Net change in fund balance	\$ (1,077,203)	\$ (732,988)	\$ 854,024	\$ 1,587,012
Fund balance, July 1, 2015	4,033,973	4,033,973	4,033,973	-
Fund balance, June 30, 2016	<u>\$ 2,956,770</u>	<u>\$ 3,300,985</u>	<u>\$ 4,887,997</u>	<u>\$ 1,587,012</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 655,511	
Revenue accruals (net)			2,172,735	
Expenditure accruals (net)			(2,000,133)	
Other financing sources (uses)			25,911	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 854,024</u>	

The accompanying notes are an integral part of these financial statements

Grant County
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2016

Assets

Cash and investments	\$	182,930
Taxes receivable		<u>714,803</u>
Total assets	\$	<u><u>897,733</u></u>

Liabilities

Due to others	\$	<u>897,733</u>
Total liabilities	\$	<u><u>897,733</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, 2016

Cash flows from operating activities:	
Cash received from patients and third-party payors	\$ 73,856,600
Cash paid to employees	(39,066,389)
Cash paid to suppliers	(32,749,188)
	\$ 2,041,023
Cash flows from noncapital financing activities:	
Grants and gifts	\$ -
	\$ -
Cash flows from capital and related financing activities	
Change in assets limited as to use	\$ -
Capital grants	
Purchase of capital assets	(6,250,113)
Retirement of capital assets	
Proceeds from sale of capital assets	12,143
Payment of long-term debt	
Interest paid on capital debt	
	\$ (6,237,970)
Cash flows from investing activities:	
Purchase of certificates of deposit	\$ (71,855)
Interest on investments	80,771
	\$ 8,916
Net increase (decrease) in cash and equivalents	\$ (4,188,031)
Cash and equivalents, beginning of year	10,300,425
Cash and equivalents, end of year	\$ 6,112,394

Grant County
COMPONENT UNIT- GILA REGIONAL MEDICAL CENTER
STATEMENT OF CASH FLOWS (concluded)
For the year ended June 30, 2016

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

Operating income (loss)	\$	(4,402,026)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization expense		3,175,151
Provision for bad debts		4,638,840
Changes in assets and liabilities:		
Patient accounts receivable		(4,020,160)
Other receivables		141,792
Safety net care pool receivable		1,685,498
Grant receivable		97,613
Estimated third-party settlements		(251,220)
Inventories		151,253
Prepaid expenses and deposits		800,065
Accounts payable and accrued expenses		24,217
		2,041,023
Net cash provided (used) by operating activities	\$	2,041,023

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

Grant County
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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.

Capital Projects:

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.

The County categorizes its investment fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment. All of the counties investments are level 1 inputs, which are quoted prices in active markets for identical assets.

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>	General <u>Fund</u>	Other <u>Funds</u>	<u>Total</u>
Advances received before recognition requirements are met	\$2,263,565	\$2,130,365	\$ 133,200	\$2,263,565
Amounts not received within 60 days of year end:				
Property taxes		801,775	17,130	818,905
Intergovernmental grants		2,248	277,160	279,408
Charges for services			<u>293,059</u>	<u>293,059</u>
 Total	 <u>\$2,263,565</u>	 <u>\$2,934,388</u>	 <u>\$ 720,549</u>	 <u>\$3,654,937</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

County is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the County. The County's total tax rate to finance general government services for the year ended June 30, 2016 was \$11.85 per \$1,000 for non-residential property and \$6.334 for residential property. The County's tax rate for debt service was \$11.38 per \$1,000 for both residential and nonresidential property.

Property tax receivables are recognized net of estimated refunds and uncollectible amounts in the period for which the taxes are levied, even if they are not available. Property taxes not collected within 60 days of year end are reported as deferred inflows of resources in the fund statements.

Operating Revenues and Expenses

Operating revenue of governmental funds includes fees to users and license fees. Operating grants include operating-specific and discretionary grants while capital grants reflect capital-specific appropriations.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Fund – By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The County does not allocate indirect expenses.

O. INTERFUND TRANSFERS

Permanent reallocation of resources between funds of the reporting entity are classified as inter-fund transfers. For the purposes of the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

P. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Custodial Credit Risk

Custodial credit risk is the risk in the event of a bank failure the Government's deposits may not be returned to it. The County does not have a deposit policy for credit risk beyond that disclosed in Note 1. As of June 30, 2016, \$-0- of the County's bank balance of \$8,513,043 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized

\$ -0-

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 \$99,737 on deposit in the pool at June 30, 2016, which is AAAM rated with a weighted average maturity of 44 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 \$8,577,054.

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, 2016, the County had the following investments: all level 1 inputs:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>
Municipal Bonds	\$ 970,445	\$ 966,154	26.70
FNMA Notes	249,236	244,531	8.91
FHLB Notes	449,153	450,792	5.50
FHLMC Notes	56,424	55,488	4.60
U.S. Government Money Market	<u>6,638,051</u>	<u>6,638,051</u>	
	<u>\$ 8,363,309</u>	<u>\$ 8,355,016</u>	

Portfolio weighted average maturity (months) 17.88

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, 2016, 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 79% invested in government money markets, 5% invested in Federal Home Loan notes, 12% invested in Municipal Bonds, and 8% invested in Fannie Mae notes.

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>388,578</u>
	Property taxes	\$1,408,020
	Gross receipts taxes	361,639
	Motor vehicle taxes	80,086
	Gas taxes	30,084
	Lodgers Tax	<u>12,112</u>
	Total taxes receivable	<u>\$1,891,941</u>
	Interest receivable	<u>\$ 24,014</u>
	Due from other governments:	
	Intergovernmental grants	<u>\$ 576,932</u>
	Total receivables	<u>\$2,881,465</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, 2016, was as follows:

	Balance <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2016</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 2,680,309	\$	\$	\$ 2,680,309
Construction in progress	<u>588,852</u>	<u>4,318,174</u>	<u>1,165,137</u>	<u>3,741,889</u>

Total capital assets not being depreciation	<u>\$ 3,269,161</u>	<u>\$ 4,318,174</u>	<u>\$ 1,165,137</u>	<u>\$ 6,422,198</u>
Capital assets being depreciated:				
Building and infrastructure	\$139,249,707	\$ 1,165,137	\$	\$140,414,844
Improvements	18,885,374			18,885,374
Equipment/vehicles/machinery	<u>25,234,163</u>	<u>916,856</u>	<u>12,219</u>	<u>26,138,800</u>
Total capital assets being depreciated	<u>\$183,369,244</u>	<u>\$ 2,081,993</u>	<u>\$ 12,219</u>	<u>\$185,439,018</u>
Less accumulated depreciation for:				
Buildings and infrastructure	\$(36,496,106)	\$(3,239,741)	\$	\$(39,735,847)
Improvements	(15,288,304)	(248,725)		(15,537,029)
Equipment/vehicles/machinery	<u>(18,467,607)</u>	<u>(1,231,475)</u>	<u>12,219</u>	<u>(19,686,863)</u>
Total accumulated depreciation	<u>\$(70,252,017)</u>	<u>\$ (4,719,941)</u>	<u>\$ 12,219</u>	<u>\$ (74,959,739)</u>
Total capital assets being depreciated, net	<u>\$113,117,227</u>	<u>\$ (2,637,948)</u>	<u>\$ 1,165,137</u>	<u>\$110,479,279</u>
Governmental activity, capital assets, net	<u>\$116,386,388</u>	<u>\$ 1,680,226</u>	<u>\$ 1,165,137</u>	<u>\$116,901,477</u>

Depreciation was charged to the Governmental Activities as follows:

General Government	\$ 1,510,381
Public Safety	1,368,783
Public Works	141,598
Health and Welfare	1,557,581
Culture/Recreation	<u>141,598</u>
	<u>\$ 4,719,941</u>

Note 6 Accrued Liabilities

At June 30, 2016, accrued expenses consisted of the following:

Accruals payroll and benefits	\$ 491,630
Accrued interest payable	<u>1,473,480</u>
	<u>\$ 1,965,110</u>

Note 7 Long-Term Debt

Long-Term Debt and Other Liabilities

Long-term liabilities activity for the year ended June 30, 2016, was as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due in</u> <u>One Year</u>
Governmental Activities:					
Bonds					
2009 G.O. Bonds	\$ 1,200,000	\$	\$ 500,000	\$ 700,000	\$ 500,000
2005 G.O. Bonds	-0-				
2014 GRT Reserve					
Bonds	6,095,000		135,000	5,960,000	135,000
2014 GO Refunding					
Bonds	3,300,000		340,000	2,960,000	315,000
Ft. Bayard Bonds	55,545,000		1,215,000	54,330,000	1,285,000
Notes Payable	<u>2,259,712</u>	<u>1,500,116</u>	<u>308,064</u>	<u>3,451,764</u>	<u>283,120</u>
 Total bonds and notes payable	 <u>\$68,399,712</u>	 <u>\$ 1,500,116</u>	 <u>\$ 2,498,064</u>	 <u>\$67,401,764</u>	 <u>\$ 2,518,120</u>
Other liabilities:					
Capital leases	\$ 83,380	\$ 115,000	\$ 48,031	\$ 150,349	\$ 49,972
Compensated absences	<u>400,523</u>	<u>601,599</u>	<u>374,072</u>	<u>628,050</u>	<u>-0-</u>
 Total other liabilities	 <u>\$ 483,903</u>	 <u>\$ 716,599</u>	 <u>\$ 422,103</u>	 <u>\$ 778,399</u>	 <u>\$ 49,972</u>
 Long-term debt	 <u>\$68,883,615</u>	 <u>\$ 2,216,715</u>	 <u>\$ 2,920,167</u>	 <u>\$68,180,163</u>	 <u>\$ 2,568,092</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 \$-0- at June 30, 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 \$4,112,250 at June 30, 2016, which is 100% of the property tax assessed specifically to retire the debt. During the year ended June 30, 2016, the County recognized \$938,974 in pledged revenues, and retired \$964,975 in bond principal and interest. Maturity dates range from 2017 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 2017 to 2044.

The revenues pledged totaled \$9,629,726 at June 30, 2016, which is 14% of the gross receipts tax collected at the current rate. During the year ended June 30, 2016, the County recognized \$2,340,891 in pledged revenues, and retired \$343,875 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 \$2,739,935 at June 30, 2016, which is 21% of the future state fire allotments at their current rate. Interest rates range from 0% to 4.2% for individually scheduled retirements, and maturity dates range from 2017 through 2042. During the year ended June 30 2016, the County recognized \$1,150,932 in pledged revenues, and retired \$233,791 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 \$433,420 at June 30, 2016, which is 5% 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 2017 through 2020. During the year ended June 30, 2016, the County recognized \$2,340,891 in pledged revenues, and retired \$108,355 in loan principal and interest.

Viva Santa Rita and Loma Verde Special Assessment District Loans

These loans are to provide infrastructure upgrades to the Viva Santa Rita and Loma Verde Subdivision. The loans are secured by general fund revenues, but are to be repaid from special assessments to the property owners. The revenues pledged totaled \$169,693 at June 30, 2016, 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 2017 to 2026. During the year ended June 30, 2016, the County recognized \$5,554 in pledged revenues and retired \$5,450 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 \$532,501 at June 30, 2016, which is 100% of future fees. The interest rate is 2.75%, and maturity dates range from 2017 through 2054. During the year ended June 30, 2016, the County recognized \$0 in pledged revenues, and retired \$14,156 in loan principal and interest.

Drainage Loans

These loans are payable to the N.M. Financial Authority, and are to be repaid from the General Fund. No revenue stream is pledged to retire the debt.

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>
2017	\$ 2,518,120	\$ 2,882,078	\$ 5,400,198
2018	2,351,063	2,996,528	5,347,591
2019	2,252,678	2,906,337	5,159,015
2020	2,355,874	2,822,199	5,178,073
2021	2,305,815	2,721,839	5,027,654
2022-2026	12,095,019	11,890,134	23,985,153
2027-2031	13,125,921	8,999,216	22,125,137
2032-2036	16,729,113	5,389,597	22,118,710
2037-2041	12,576,360	1,398,621	13,974,981
2042-2046	<u>1,091,801</u>	<u>30,968</u>	<u>1,122,769</u>
	<u>\$67,401,764</u>	<u>\$42,037,517</u>	<u>\$109,439,281</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 \$2,945,907 and accumulated depreciation of \$2,626,542.

The following is a schedule of future minimum lease payments required under the leases, together with their present value as of June 30, 2016:

Fiscal year ended June 30:

2017	\$ 55,690
2018	55,690
2019	25,523
2020	<u>25,524</u>
Total minimum lease payment	\$ 162,427
Less amounts representing imputed interest necessary	

to reduce future lease payments to net present value	<u>(12,078)</u>
Present value of minimum lease payments	<u>\$ 150,349</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, 2015 available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366 Public Employees Retirement Association 2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366PublicEmployeesRetirementAssociation2015.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 FY15 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 31 through 32 of the PERA FY15 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 \$787,229 and employer paid member benefits that were “picked up” by the employer were \$-0- for the year ended June 30, 2016.

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, 2014. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore the employer’s portion was established as of the measurement date June 30, 2015.

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, 2015. Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2015 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2015 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, 2016, the County reported a liability of \$6,021,679 for its proportionate share of the net pension liability. At June 30, 2015, the County’s proportion was .5906 percent, and was .6172 percent as of June 30, 2014.

For the year ended June 30, 2016, the County recognized PERA Fund Division Municipal General pension expense of \$145,381. At June 30, 2016, 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	\$ -	\$ 133,383
Changes of assumptions	-	2,346
Net difference between projected and actual earnings on pension plan investments	-	19,049
Changes in proportion and differences between the County’s contributions and proportionate share of contributions	-	158,452
The County’s contributions subsequent to the measurement date	<u>452,790</u>	<u>-</u>
Total	<u>\$ 452,790</u>	<u>\$ 313,230</u>

\$452,790 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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:

2017	\$ (212,307)
2018	(212,307)
2019	(212,308)
2020	323,692

For PERA Fund Division Municipal Police, at June 30, 2016, the County reported a liability of \$4,023,323 for its proportionate share of the net pension liability. At June 30, 2015, the County's proportion was .8367%, and was .8419% as of June 30, 2014.

For the year ended June 30, 2016, the County recognized PERA Fund Division Municipal Police pension expense of \$210,341. At June 30, 2016, 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	\$ 281,133	\$ -
Changes of assumptions	-	166,453
Net difference between projected and actual earnings on pension plan investments	-	11,160
Changes in proportion and differences between Grant County contributions and proportionate share of contributions	-	12,944
Grant County contributions subsequent to the measurement date	<u>334,439</u>	<u>-</u>
Total	<u>\$ 615,572</u>	<u>\$ 190,557</u>

\$334,439 reported as deferred outflows of resources related to pensions resulting from Grant County contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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:

2017	\$ (38,573)
2018	(38,573)
2019	(38,572)
2020	206,294

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, 2014 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, 2015 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, 2015. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

Actuarial valuation date	June 30, 2014
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>\$10,252,529</u>	<u>\$6,021,679</u>	<u>\$2,504,014</u>
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Pension Fund Division Municipal Police

The County’s proportionate share of the net pension liability	<u>\$ 6,644,275</u>	<u>\$4,023,323</u>	<u>\$1,873,254</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 FY15 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, 2016, 2015 and 2014 were \$140,955, \$139,174, and \$140,693 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 \$5,000,000.

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, 2016: Law Enforcement (\$546), Corre Caminos (\$454,879), Hold Harmless (\$75,829), Capital Road (\$86,328), EMS (\$15,949), Safe Borders (\$322,456). 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, 2016, 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, 2016.

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, 2016, consisted of the following:

	<u>Inter-Fund Payable</u>		
	<u>General</u>	<u>Other Funds</u>	<u>Total</u>
<u>Inter-Fund Receivable</u>			
General Fund	\$	\$1,044,675	\$ 1,044,675
Other Funds	<u>42,179</u>	<u>101,115</u>	<u>143,294</u>
	<u>\$ 42,179</u>	<u>\$1,145,790</u>	<u>\$ 1,187,969</u>

These amounts are expected to be repaid within one year, and the advances were made to meet operating expenses, or fund projects.

Interfund transfers are as follows:

	<u>Transfers From</u>		
	<u>General</u>	<u>Other Funds</u>	<u>Total</u>
<u>Transfers To</u>			
General	\$	\$ 268,715	\$ 268,715
Other Funds	<u>3,033,718</u>	<u> </u>	<u>3,033,718</u>
	<u>\$3,033,718</u>	<u>\$ 268,715</u>	<u>\$ 3,302,433</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 27, 2016, the date which the financial statements were available to be issued.

**NOTES TO BASIC FINANCIAL STATEMENTS
RELATED TO COMPONENT UNIT**
June 30, 2016 and 2015

1. Reporting Entity and Summary of Significant Accounting Policies:

a. 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, New Mexico (the County) and the Board of County Commissioners appoints members to the Board of Trustees of the Medical Center. The Medical Center provides inpatient, outpatient, and emergency care services to patients in the Grant County area.

The Medical Center has a management advisory services agreement with Quorum Health Resources (QHR), a healthcare management company, effective through July 31, 2019. Management fees, included in professional fees, approximated \$50,000 and \$45,000 in 2016 and 2015, 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 exceed \$2,500 without prior written approval.

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.

b. Summary of Significant Accounting Policies

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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual events and results could differ from those estimates.

Reporting Entity and Summary of Significant Accounting Policies (continued):

Summary of Significant accounting policies (continued):

Enterprise fund accounting – The Medical Center’s accounting policies conform to accounting principles generally accepted in the United States of America as applicable to proprietary funds of governments. The Hospital uses enterprise fund accounting. Revenue and expenses are recognized on the accrual basis using the economic resources measurement focus.

Cash and cash equivalents – Cash and cash equivalents include business checking accounts maintained with local financial institutions, cash on hand, and investments in highly liquid debt instruments with an original maturity of three months or less.

Inventories – Inventories consist primarily of medical and pharmaceutical supplies and are stated at the lower of cost (using the first-in, first-out method) or market value.

Prepaid expenses - Prepaid expenses are expenses paid during the year relating to expenses incurred in future periods. Prepaid expenses are amortized over the expected benefit period of the related expense.

Compensated absences – The Medical Center’s policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid 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 statements of net position dates plus an additional amount for compensation-related payments, such as social security and Medicare taxes computed, using rates in effect at that date.

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

Restricted resources – When the Medical Center has both restricted and unrestricted resources available to finance a particular program, it is the Medical Center’s policy to use restricted resources before unrestricted resources.

Net position – Net position of the Medical Center is classified into three components. *Net investment in capital assets* consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted net position* is noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Medical Center, including amounts deposited with trustees as required by revenue bond indentures. *Unrestricted net position* is remaining net position that does not meet the definition of *net investment in capital assets or restricted*.

Reporting Entity and Summary of Significant Accounting Policies (continued):

Summary of Significant Accounting Policies (continued)

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 expenses. Budgets are approved and amended by the Finance Committee and the Board of Directors.

Operating revenues and expenses – The Medical Center’s statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions, including grants for specific operating activities associated with providing healthcare services – the Medical Center’s principal activity. Nonexchange revenues, including taxes and contributions received for purposes other than capital asset acquisitions, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide healthcare services other than financing costs.

Grants and contributions – From time to time, the Medical Center receives grants from governmental and nongovernmental entities, as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses. Grants that are for specific projects, or purposes related to the Medical Center’s operating activities, are reported as operating revenue. Grants that are used to subsidize operating deficits are reported as nonoperating revenue. Contributions, except for capital contributions, are reported as nonoperating revenue.

Change in accounting policies – Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurements and Application*, is effective for years beginning after June 15, 2015 (fiscal year ended June 30, 2016, for the Medical Center). The statement establishes new requirements on how fair value should be measured, which assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. The adoption of this statement has no impact on change in net position.

Reclassifications – Certain reclassifications have been made to the 2015 financial statements to conform with the classifications used in the 2016 financial statements with no effect on previously reported change in net position.

Subsequent events – Subsequent events have been reviewed through October 5, 2016, the date on which the financial statements were available to be issued.

2. Prior Year Restatement:

The Medical Center has restated its 2015 financial statements to correct SNCP program settlements. The Medical Center’s change in net position for 2015 decreased by \$3,837,578

Reporting Entity and Summary of Significant Accounting Policies (continued):

Prior Year Restatement (continued):

as a result of this restatement. The impact on the June 30, 2015, net position balance is as follows:

Net position at June 30, 2015, as previously reported	\$ 64,717,376
<u>Correction of safety net care pool settlements</u>	<u>(3,837,578)</u>
<u>Net position at June 30, 2015, as restated</u>	<u>\$ 60,879,798</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, 2016 and 2015, the Medical Center was in compliance with the state collateralization requirements.

As of June 30, 2016, the Medical Center had deposits with a bank balance of \$23,095,756, of which \$6,764,153 was uninsured and uncollateralized, and therefore subject to custodial credit risk. As of June 30, 2015, the Medical Center had deposits with a bank balance of \$19,362,693, of which \$1,531,281 was uninsured and uncollateralized, and therefore subject to custodial credit risk.

The Medical Center has a Letter-of-Credit (LOC) issued by the Federal Home Loan Bank of Atlanta in the amount of \$1,700,000. This LOC has been pledged by BBVA Compass Bank to collateralize uninsured deposits. As of June 30, 2016, the LOC has not been drawn on. The LOC expires March 4, 2017.

State Treasurer’s Investment Pool – The Medical Center may legally invest in direct obligations of and other obligations guaranteed as to principal by the United States (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

Deposits and Investments (continued):

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.

Fair Value – The Medical Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Medical Center's certificates of deposit are value using quoted market prices (Level 2 input).

The Medical Center's investments are as follows:

	2016					
	Fair Value	Investment Maturities (in Years)				Investment Rating
		Less Than One	One to Five	Six to Ten	More Than Ten	
Repurchase agreement: New MexiGROW Local Government Investment Pool	\$ 2,536,698	\$ 2,536,698	\$ -	\$ -	\$ -	Not applicable
Certificates of deposit	1,063	1,063	-	-	-	AAAm
Total investments	16,766,297	16,766,297	-	-	-	Not applicable
	\$19,304,058	\$19,304,058	\$ -	\$ -	\$ -	

	2015					
	Fair Value	Investment Maturities (in Years)				Investment Ratings
		Less Than One	One to Five	Six to Ten	More Than Ten	
Repurchase agreement New MexiGROW Local Government Investment Pool	\$ 7,912,128	\$ 7,912,128	\$ -	\$ -	\$ -	Not applicable
Certificates of deposit	1,066	1,066	-	-	-	AAAm
Total investments	16,694,442	16,694,442	-	-	-	Not applicable
	\$24,607,630	\$ 24,607,630	\$ -	\$ -	\$ -	

The repurchase agreement was collateralized at 102% at June 30, 2016 and 2015 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 deposit and repurchase agreements with maturities of less than one year.

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.

Deposits and Investments (continued):

Concentration of Credit Risk – The Medical Center places no limit on the amount that may be invested in any one issuer.

Reconciliation to the statements of net position – The carrying values of deposits and investments in the statements of net position are as follows:

	2016	2015
Carrying value		
Deposits	\$ 3,574,633	\$ 2,387,237
Investments and New MexiGrow Local Government Investment Pool	19,304,058	24,607,630
	\$22,878,691	\$ 26,994,867
Included in the following statements of net position options		
Cash and cash equivalents	\$ 6,112,394	\$10,300,425
Certificates of deposit	16,766,297	16,694,442
	\$22,878,691	\$26,994,867

4. Patient Accounts Receivables

Patient accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectability of patient accounts receivable, the Medical Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. For receivables associated with services provided to patients who have third-party coverage, the Medical Center analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

Patient Accounts Receivable (continued):

The Medical Center's allowance for uncollectible accounts for self-pay patients has not changed significantly from prior years. The Medical Center does not maintain a material allowance for uncollectible accounts from third-party payors, nor did it have significant write-offs from third-party payors.

Patient accounts receivable reported as current assets by the Medical Center consisted of these amounts:

	<u>2016</u>	<u>2015</u>
Receivable from patients and their insurance carriers	\$10,520,988	\$10,649,462
Receivable from Medicare	1,990,441	2,494,256
Receivable from Medicaid	1,525,435	1,534,486
<u>Total patient accounts receivable</u>	<u>\$14,036,864</u>	<u>\$14,678,204</u>
<u>Less allowance for uncollectible accounts</u>	<u>4,998,015</u>	<u>5,020,675</u>
<u>Net patient accounts receivable</u>	<u>\$ 9,038,849</u>	<u>\$ 9,657,529</u>

5. Capital Assets:

The Medical Center capitalizes assets whose costs exceed \$5,000 and with an estimated useful life of at least one year, in accordance with Section 12-6-10 NMSA 1978. Capital asset acquisitions are recorded at historical cost. Contributed capital assets are reported at their estimated fair value at the time of their donation. All capital assets other than land and construction in progress are depreciated or amortized (in the case of capital leases) by the straight-line method of depreciation using these asset lives:

Land improvements	15 to 20 years
Buildings	20 to 40 years
Equipment	3 to 10 years

Capital Assets (continued):

Capital asset additions, retirements, transfers, and balances were as follows:

	2016				Ending Balance
	Beginning Balance	Additions	Retirements	Transfers	
<i>Capital assets not being depreciated:</i>					
Construction in progress	\$ 2,231,455	\$ 4,176,261	\$ -	\$ (161,602)	\$ 6,246,114
Land	806,200	-	-	-	806,200
Total capital assets not being depreciated	3,037,655	4,176,261	-	(161,602)	7,052,314
Capital Assets:					
<i>Capital assets being depreciated:</i>					
Land improvements	577,465	-	-	-	577,465
Buildings	32,250,049	-	-	-	32,250,049
Equipment	27,148,861	2,073,851	(3,579,185)	161,602	25,805,129
Total capital assets being depreciated	59,976,375	2,073,851	(3,579,185)	161,602	58,632,643
<i>Less accumulated depreciation for:</i>					
Land improvements	233,231	51,677	-	-	284,908
Buildings	14,969,438	862,286	-	-	15,831,724
Equipment	17,741,021	2,261,188	(3,578,927)	-	16,423,282
Total accumulated depreciation	32,943,690	3,175,151	(3,578,927)	-	32,539,914
Total capital assets being depreciated, net	27,032,685	(1,101,300)	(258)	161,602	26,092,729
Capital assets, net of accumulated depreciation	\$ 30,070,340	\$ 3,074,961	\$ (258)	\$ -	\$ 33,145,043

	2015				Ending Balance
	Beginning Balance	Additions	Retirements	Transfers	
<i>Capital assets not being depreciated:</i>					
Construction in progress	\$ 246,169	\$ 2,064,760	\$ (79,474)	\$ -	\$ 2,231,455
Land	806,200	-	-	-	806,200

Capital Assets (continued):

Total capital assets not being depreciated	1,052,369	2,064,760	(79,474)	-	3,037,655
<i>Capital assets being depreciated:</i>					
Land improvements	577,465	-	-	-	577,465
Buildings	32,250,049	-	-	-	32,250,049
Equipment	30,998,044	1,332,781	(5,181,964)	-	27,148,861
Total capital assets being depreciated	63,825,558	1,332,781	(5,181,964)	-	59,976,375
<i>Less accumulated depreciation for:</i>					
Land improvements	180,769	52,462	-	-	233,231
Buildings	14,107,153	862,285	-	-	14,969,438
Equipment	20,322,680	2,519,643	(5,101,302)	-	17,741,021
Total accumulated depreciation	34,610,602	3,434,390	(5,101,302)	-	32,943,690
Total capital assets being depreciated, net	29,214,956	(2,101,609)	(80,662)	-	27,032,685
Capital assets, net of accumulated depreciation	\$ 30,267,325	\$ (36,849)	\$ (160,136)	\$ -	\$ 30,070,340

In 2016, an analysis of the capital asset listing resulted in a \$3,579,185 writeoff for assets that were not in use as of June 30, 2016. The net book value of these assets was \$258. In 2015, an analysis of the capital asset listing resulted in a \$5,261,438 write-off for assets that were not in use as of June 30, 2015. The net book value of these assets was \$160,136.

At June 30, 2016, construction in progress consisted primarily of the Medical Center's conversion to Meditech with an estimated cost to complete of approximately \$2,325,000. The conversion is expected to be completed in fiscal year 2017.

6. Commitments Under Operating Leases:

The Medical Center leases various buildings and equipment under operating leases with terms of one to four years.

7. Noncurrent Liabilities:

A schedule of changes in the Medical Center's noncurrent liabilities is as follows:

Noncurrent Liabilities (continued):

	2016				Amounts Due Within One Year
	Beginning Balance	Additions	Decreases	Ending Balance	
Compensated absences	\$ 1,983,390	\$ 2,655,971	\$(2,561,650)	\$2,077,711	\$ 2,077,711
Total noncurrent liabilities	\$ 1,983,390	\$ 2,655,971	\$(2,561,650)	\$2,077,711	\$ 2,077,711

	2015				Amounts Due Within One Year
	Beginning Balance	Additions	Decreases	Ending Balance	
Compensated absences	\$ 1,860,664	\$ 3,311,485	\$(3,188,759)	\$1,983,390	\$ 1,983,390
Total noncurrent liabilities	\$ 1,860,664	\$ 3,311,485	\$(3,188,759)	\$1,983,390	\$ 1,983,390

8. Net Patient Service Revenue:

The Medical Center recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Medical Center recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Medical Center's patients will be unable or unwilling to pay for the services provided. Thus, the Medical Center records a significant provision for bad debts related to uninsured patients and the deductible and coinsurance portion of payments due from beneficiaries in the period the services are provided. The Medical Center's provisions for bad debts and writeoffs have decreased from the prior year due to Medicaid expansion. The Medical Center has not changed its charity care or uninsured discount policies during fiscal years 2016 or 2015. Patient service revenue, net of contractual adjustments and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

	2016	2015
Patient service revenue (net of contractual adjustments and discounts):		
Medicare	\$ 21,193,969	\$ 23,282,912
Medicaid/Centennial Care	10,592,027	12,116,067
Other third-party payors	35,976,871	33,276,027
Patients	2,723,843	4,039,335

Net Patient Service Revenue (continued):

	70,486,710	72,714,341
Less:		
Charity care	451,837	822,181
Provision for bad debts	4,638,840	7,825,936
	<hr/>	<hr/>
Net patient service revenue	\$ 65,396,033	\$ 64,066,224

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. A summary of the payment arrangements with major third-party payors is as follows:

- *Medicare* – Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The Medical Center is reimbursed for some items at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare administrative contractor.
- *Medicaid/Centennial Care* – The state of New Mexico (the State) administers its Medicaid program through contracts with several Managed Care Organizations (MCOs). Medicaid beneficiaries are required to enroll with one of the MCOs. The State pays each MCO a per member, per month rate based on their current enrollment. These amounts are allocated by each MCO to separate pools for the hospital, physicians, and ancillary providers. As a result, the MCOs assume the financial risk of providing healthcare to its members.

Through the Medical Center’s contracts with MCOs, inpatient acute care services and outpatient services rendered to Medicaid program beneficiaries are paid at prospective determined rates per discharge and discounted fee schedules. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Behavioral services provided to Medicaid program beneficiaries are paid under a fee schedule methodology.

The Medical Center also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organization. The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

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

Net Patient Service Revenue (continued):

that recorded estimates will change by a material amount in the near term. The net patient service revenue decreased by approximately \$177,000 in 2016 and increased by approximately \$389,000 in 2015, due to differences between original estimates and final settlements or revised estimates.

The Medical Center provides charity care to patients who are financially unable to pay for the healthcare services they receive. The Medical Center's policy is not to pursue collection of amounts determined to qualify as charity care. Accordingly, the Medical Center does not report these amounts in net operating revenues or in the allowance for uncollectible accounts. The Medical Center determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including salaries, wages, benefits, supplies, and other operating expenses, based on data from its costing system. The costs of caring for charity care patients for the years ended June 30, 2016 and 2015, were approximately \$172,000 and \$290,000, respectively. The Medical Center did not receive any gifts or grants to subsidize charity care services during 2016 and 2015. The SNCP program subsidizes services to uninsured patients and unreimbursed Medicaid costs.

9. Retirement Plan:

The Medical Center contributes to a tax sheltered retirement plan covering all eligible employees. The name of the plan is Gila Regional Medical Center 403(b) Plan. 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 \$726,000 and \$615,000 for the years ended June 30, 2016 and 2015 respectively. Employee contributions to the plan were approximately \$993,000 and \$1,250,000 for 2016 and 2015, respectively. There are no stand-alone financial reports available to the public for the plan.

The plan is administered by the Medical Center. The Medical Center has the authority to amend the plan.

10. Risk Management and Contingencies:

Medical malpractice claims – The Medical Center has professional liability insurance coverage with Darwin Select Insurance Company. The policy provides protection on a "claims-made" basis whereby claims filed in the current year are covered by the current policy. If there are occurrences in the current year, these will only be covered in the year the claim is filed if claims-made coverage is obtained in that year or if the Medical Center purchases insurance to cover prior acts. The current professional liability insurance provides \$1,000,000 per claim of primary coverage with an annual aggregate limit of \$3,000,000. The policy has a \$50,000 deductible per claim.

Risk Management and Contingencies (continued):

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.

Industry regulations – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditations, and government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues 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 together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Medical Center is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

While no regulatory inquiries have been made, 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.

11. Concentration of Risk:

Patient accounts receivable – The Medical Center grants credit without collateral to its patients, most of whom are local residents, and are insured under third-party payor agreements. The majority of these patients are geographically concentrated in and around Grant County.

The mix of receivables from patients and third-party payors was as follows:

	2016		2015	
Medicare	32	%	34	%
Medicaid/Centennial Care	22		21	
Patients	21		23	
Commercial and other	25		22	
	100	%	100	%

Concentration of Risk (continued):

Physicians – The Medical Center is dependent on local physicians in its service area to provide admissions and utilize hospital services on an outpatient basis. A decrease in the number of physicians providing these services or a change in their utilization patterns may have an adverse effect on the Medical Center's operations.

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.

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

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, 2016

	Special Revenue Funds			
	Fire Protection	Hospital Indigent	Farm and Range	Recreation
Assets				
Cash and investments	\$ 1,172,237	\$ 794,584	\$ 16	\$ 48
Interfund receivable	26,613			
Accounts receivable				
Interest receivable				
Taxes receivable	49,931	195,539	431	
Due from other governments				
Notes receivable				
Total assets	\$ 1,248,781	\$ 990,123	\$ 447	\$ 48
Liabilities				
Accounts payable	\$ 29,290	\$ 80,649	\$ -	\$ -
Salaries payable				
Interfund payable				
Total liabilities	\$ 29,290	\$ 80,649	\$ -	\$ -
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ -	\$ 431	\$ -
Total deferred inflows of resources	\$ -	\$ -	\$ 431	\$ -
Fund balances:				
Restricted:				
Capital projects	\$ -	\$ -	\$ -	\$ -
Debt service				
Public safety	1,219,491			
Health and welfare		909,474	16	
General government				
Equipment purchases				
Culture and recreation				48
Assigned:				
Health and welfare				
Capital projects				
Unassigned				
Total fund balance	\$ 1,219,491	\$ 909,474	\$ 16	\$ 48
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,248,781	\$ 990,123	\$ 447	\$ 48

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>
\$ 32,706	\$ 210,277	\$ -	\$ 31,030	\$ 2,837	\$ 215,347
103,734			12,112	100,363	
<u>\$ 136,440</u>	<u>\$ 210,277</u>	<u>\$ -</u>	<u>\$ 43,142</u>	<u>\$ 103,200</u>	<u>\$ 215,347</u>
\$ 46,722	\$ -	\$ -	\$ -	\$ 59,892	\$ -
84,101		546			
<u>\$ 130,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,892</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,172</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,172</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,617				28,136	215,347
	210,277		43,142		
		(546)			
<u>\$ 5,617</u>	<u>\$ 210,277</u>	<u>\$ (546)</u>	<u>\$ 43,142</u>	<u>\$ 28,136</u>	<u>\$ 215,347</u>
<u>\$ 136,440</u>	<u>\$ 210,277</u>	<u>\$ (546)</u>	<u>\$ 43,142</u>	<u>\$ 103,200</u>	<u>\$ 215,347</u>

Grant County
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
June 30, 2016

	Special Revenue Funds			
	EMS	Solid Waste	Regional Dispatch	HIDTA
Assets				
Cash and investments	\$ 11,718	\$ 314,831	\$ 81,064	\$ 54
Interfund receivable				
Accounts receivable		267,274		
Interest receivable				
Taxes receivable		26,053	103,785	
Due from other governments				
Notes receivable				
Total assets	\$ 11,718	\$ 608,158	\$ 184,849	\$ 54
Liabilities				
Accounts payable	\$ 2,144	\$ 66,097	\$ 3,699	\$ -
Salaries payable			19,199	
Interfund payable	25,523			
Total liabilities	\$ 27,667	\$ 66,097	\$ 22,898	\$ -
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ 171,755	\$ -	\$ -
Total deferred inflows of resources	\$ -	\$ 171,755	\$ -	\$ -
Fund balances:				
Restricted:				
Capital projects	\$ -	\$ -	\$ -	\$ -
Debt service				
Public safety			161,951	54
Health and welfare		370,306		
General government				
Equipment purchases				
Culture and recreation				
Assigned:				
Health and welfare				
Capital projects				
Unassigned	(15,949)			
Total fund balance	\$ (15,949)	\$ 370,306	\$ 161,951	\$ 54
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,718	\$ 608,158	\$ 184,849	\$ 54

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

Special Revenue Funds

Rural Fire Departments	CDBG Zoning	AOA	Corre Caminos	Fire Admin	Safe Border	GC Health Council
\$ 2,792,459 68,247	\$ 498	\$ 30,326	\$ -	\$ 194,237	\$ -	\$ 158,833
		58,518	74,294		219,557	
<u>\$ 2,860,706</u>	<u>\$ 498</u>	<u>\$ 88,844</u>	<u>\$ 74,294</u>	<u>\$ 194,237</u>	<u>\$ 219,557</u>	<u>\$ 158,833</u>
\$ 83,742	\$ -	\$ 9,317 12,496	\$ 8,452 20,326 500,395	\$ 37	\$ 2,424 320,032	\$ -
<u>\$ 83,742</u>	<u>\$ -</u>	<u>\$ 21,813</u>	<u>\$ 529,173</u>	<u>\$ 37</u>	<u>\$ 322,456</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,557</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,557</u>	<u>\$ -</u>
\$ 1,323,572 27,190 1,426,202	\$ - 498	\$ - 67,031	\$ -	\$ - 194,200	\$ -	\$ - 158,833
			(454,879)		(322,456)	
<u>\$ 2,776,964</u>	<u>\$ 498</u>	<u>\$ 67,031</u>	<u>\$ (454,879)</u>	<u>\$ 194,200</u>	<u>\$ (322,456)</u>	<u>\$ 158,833</u>
<u>\$ 2,860,706</u>	<u>\$ 498</u>	<u>\$ 88,844</u>	<u>\$ 74,294</u>	<u>\$ 194,237</u>	<u>\$ 219,557</u>	<u>\$ 158,833</u>

Grant County
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
June 30, 2016

	Capital Projects Funds			
	Viva Santa Rita	Renovations	Fort Bayard	Hurley Waste Water
Assets				
Cash and investments	\$ 12,181	\$ -	\$ 53,686	\$ 154,680
Interfund receivable		40,752		
Accounts receivable				
Interest receivable				
Taxes receivable				
Due from other governments		114,264		
Notes receivable				
Total assets	\$ 12,181	\$ 155,016	\$ 53,686	\$ 154,680
Liabilities				
Accounts payable	\$ -	\$ 14,497	\$ -	\$ -
Salaries payable				
Interfund payable	1,079	67,355		16,813
Total liabilities	\$ 1,079	\$ 81,852	\$ -	\$ 16,813
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ 42,431	\$ -	\$ 133,200
Total deferred inflows of resources	\$ -	\$ 42,431	\$ -	\$ 133,200
Fund balances:				
Restricted:				
Capital projects	\$ 11,102	\$ 30,733	\$ 53,686	\$ 4,667
Debt service				
Public safety				
Health and welfare				
General government				
Equipment purchases				
Culture and recreation				
Assigned:				
Health and welfare				
Capital projects				
Unassigned				
Total fund balance	\$ 11,102	\$ 30,733	\$ 53,686	\$ 4,667
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,181	\$ 155,016	\$ 53,686	\$ 154,680

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

Capital Projects Funds			Debt Service Funds			
Capital Road	Loma Verde	Economic Development	Jail Revenue Bond	NMFA Loan Payments	Santa Rita Assessment	Loma Verde Debt
\$ -	\$ 49,284	\$ 2,777	\$ 2,016,837	\$ 72,029 1,427	\$ 27,571 5,198 6,658	\$ 1 \$ 114,646
			29,361			
<u>\$ -</u>	<u>\$ 49,284</u>	<u>\$ 2,777</u>	<u>\$ 2,046,198</u>	<u>\$ 73,456</u>	<u>\$ 39,427</u>	<u>\$ 114,647</u>
\$ 21,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64,762				73,456		
<u>\$ 86,328</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,456</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,699</u>	<u>\$ -</u>	<u>\$ 6,658</u>	<u>\$ 114,646</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,699</u>	<u>\$ -</u>	<u>\$ 6,658</u>	<u>\$ 114,646</u>
\$ -	\$ 49,284	\$ 2,777	\$ - 2,029,499	\$ -	\$ - 32,769	\$ - 1
(86,328)						
<u>\$ (86,328)</u>	<u>\$ 49,284</u>	<u>\$ 2,777</u>	<u>\$ 2,029,499</u>	<u>\$ -</u>	<u>\$ 32,769</u>	<u>\$ 1</u>
<u>\$ -</u>	<u>\$ 49,284</u>	<u>\$ 2,777</u>	<u>\$ 2,046,198</u>	<u>\$ 73,456</u>	<u>\$ 39,427</u>	<u>\$ 114,647</u>

Grant County
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (concluded)
June 30, 2016

	Debt Service Funds			Total
	Hold Harmless	NH Waste Water	NM WW Reserve	
Assets				
Cash and investments	\$ -	\$ -	\$ 75,591	\$ 8,507,739
Interfund receivable		1,057		143,294
Accounts receivable				388,578
Interest receivable				-
Taxes receivable				520,946
Due from other governments				566,996
Notes receivable				-
Total assets	<u>\$ -</u>	<u>\$ 1,057</u>	<u>\$ 75,591</u>	<u>\$ 10,127,553</u>
Liabilities				
Accounts payable	\$ -	\$ 1,057	\$ -	\$ 429,585
Salaries payable				136,122
Interfund payable	75,829			1,145,790
Total liabilities	<u>\$ 75,829</u>	<u>\$ 1,057</u>	<u>\$ -</u>	<u>\$ 1,711,497</u>
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ -	\$ -	\$ 720,549
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 720,549</u>
Fund balances:				
Restricted:				
Capital projects	\$ -	\$ -	\$ -	\$ 1,475,821
Debt service			75,591	2,165,050
Public safety				3,007,515
Health and welfare				1,505,660
General government				243,981
Equipment purchases				210,277
Culture and recreation				43,190
Assigned:				
Health and welfare				-
Capital projects				-
Unassigned	(75,829)			(955,987)
Total fund balance	<u>\$ (75,829)</u>	<u>\$ -</u>	<u>\$ 75,591</u>	<u>\$ 7,695,507</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 1,057</u>	<u>\$ 75,591</u>	<u>\$ 10,127,553</u>

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

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

For The Fiscal Year Ended June 30, 2016

Special Revenue Funds

	Fire Protection	Hospital Indigent	Farm and Range	Recreation
Revenues:				
Property taxes	\$ -	\$ -	\$ 71	\$ -
Gross receipts taxes	340,069	1,194,134		
Other taxes				
Federal sources			23,417	
State sources				6,100
Charges for services				
Miscellaneous	45	443		
Total revenues	\$ 340,114	\$ 1,194,577	\$ 23,488	\$ 6,100
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	451,483			
Public works				
Health and welfare		957,795	26,990	
Culture recreation				6,379
Debt service:				
Principle				
Interest				
Debt issue costs				
Debt refunding				
Capital outlay				
Total expenditures	\$ 451,483	\$ 957,795	\$ 26,990	\$ 6,379
Revenues over (under) expenditures	\$ (111,369)	\$ 236,782	\$ (3,502)	\$ (279)
Other financing sources (uses):				
Transfer in			1,250	
Transfer (out)		(118,010)		
Bond proceeds				
Bond premiums				
Bond discount				
Payment to escrow				
Loan proceeds				
Net changes in fund balances	\$ (111,369)	\$ 118,772	\$ (2,252)	\$ (279)
Fund balance, July 1, 2015	1,330,860	790,702	2,268	327
Fund balance, June 30, 2016	\$ 1,219,491	\$ 909,474	\$ 16	\$ 48

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

Special Revenue Funds

Corrections	Clerk's Equipment	Law Enforcement	Lodgers Tax	Airport	Reappraisal
\$ - 632,572	\$ -	\$ -	\$ -	\$ -	\$ -
213,603	30,459	42,200	62,787	126,299 174,737 547,684	105,286
681		50			
<u>\$ 846,856</u>	<u>\$ 30,459</u>	<u>\$ 42,250</u>	<u>\$ 62,787</u>	<u>\$ 848,720</u>	<u>\$ 105,286</u>
\$ - 2,630,396	\$ 18,009	\$ - 17,656	\$ -	\$ 603,441	\$ 99,320
			72,143		
	42,499	25,141		332,586	17,617
<u>\$ 2,630,396</u>	<u>\$ 60,508</u>	<u>\$ 42,797</u>	<u>\$ 72,143</u>	<u>\$ 936,027</u>	<u>\$ 116,937</u>
\$ (1,783,540)	\$ (30,049)	\$ (547)	\$ (9,356)	\$ (87,307)	\$ (11,651)
1,701,189			(2,500)	171,208	
<u>\$ (82,351)</u>	<u>\$ (30,049)</u>	<u>\$ (547)</u>	<u>\$ (11,856)</u>	<u>\$ 83,901</u>	<u>\$ (11,651)</u>
87,968	240,326	1	54,998	(55,765)	226,998
<u>\$ 5,617</u>	<u>\$ 210,277</u>	<u>\$ (546)</u>	<u>\$ 43,142</u>	<u>\$ 28,136</u>	<u>\$ 215,347</u>

Grant County
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
For The Fiscal Year Ended June 30, 2016

	Special Revenue Funds			
	EMS	Solid Waste	Regional Dispatch	HIDTA
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes		170,575	633,088	
Other taxes				
Federal sources				
State sources	48,125			
Charges for services		445,188		
Miscellaneous		26,461	34,779	
	<u>48,125</u>	<u>642,224</u>	<u>667,867</u>	<u>-</u>
Total revenues	<u>\$ 48,125</u>	<u>\$ 642,224</u>	<u>\$ 667,867</u>	<u>\$ -</u>
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	60,287		627,945	
Public works				
Health and welfare		633,701		
Culture recreation				
Debt service				
Principle	21,376			
Interest	4,147			
Debt issue costs				
Debt refunding				
Capital outlay	115,000	21,316		
	<u>200,810</u>	<u>655,017</u>	<u>627,945</u>	<u>-</u>
Total expenditures	<u>\$ 200,810</u>	<u>\$ 655,017</u>	<u>\$ 627,945</u>	<u>\$ -</u>
Revenues over (under) expenditures	\$ (152,685)	\$ (12,793)	\$ 39,922	\$ -
Other financing sources (uses):				
Transfer in			81,124	
Transfer (out)		(135,000)		
Bond proceeds				
Bond premiums				
Bond discount				
Payment to escrow				
Loan proceeds	115,000			
	<u>115,000</u>			
Net changes in fund balances	\$ (37,685)	\$ (147,793)	\$ 121,046	\$ -
Fund balance, July 1, 2015	<u>21,736</u>	<u>518,099</u>	<u>40,905</u>	<u>54</u>
Fund balance, June 30, 2016	<u>\$ (15,949)</u>	<u>\$ 370,306</u>	<u>\$ 161,951</u>	<u>\$ 54</u>

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

Special Revenue Funds

Rural Fire Departments	CDBG Zoning	AOA	Corre Caminos	Fire Admin	Safe Border	GC Health Council
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,322,362		177,618	562,704		218,093	
4,345		314,394	554,335	70,068		13,750
		48,399	1,558	10		217,145
<u>\$ 1,326,707</u>	<u>\$ -</u>	<u>\$ 540,411</u>	<u>\$ 1,118,597</u>	<u>\$ 70,078</u>	<u>\$ 218,093</u>	<u>\$ 230,895</u>
\$ -	\$ -	\$ -	\$ 898,712	\$ -	\$ -	\$ -
440,198				23,077	197,454	
		586,120				72,062
220,198						
47,542						
<u>338,144</u>		<u>21,394</u>		<u>47,500</u>	<u>152,912</u>	
<u>\$ 1,046,082</u>	<u>\$ -</u>	<u>\$ 607,514</u>	<u>\$ 898,712</u>	<u>\$ 70,577</u>	<u>\$ 350,366</u>	<u>\$ 72,062</u>
\$ 280,625	\$ -	\$ (67,103)	\$ 219,885	\$ (499)	\$ (132,273)	\$ 158,833
			330,000		143,176	
(2,000)						
<u>1,311,465</u>						
\$ 1,590,090	\$ -	\$ (67,103)	\$ 549,885	\$ (499)	\$ 10,903	\$ 158,833
1,186,874	498	134,134	(1,004,764)	194,699	(333,359)	-
<u>\$ 2,776,964</u>	<u>\$ 498</u>	<u>\$ 67,031</u>	<u>\$ (454,879)</u>	<u>\$ 194,200</u>	<u>\$ (322,456)</u>	<u>\$ 158,833</u>

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

For The Fiscal Year Ended June 30, 2016

Capital Projects Funds

	Viva Santa Rita	Renovations	Fort Bayard	Hurley Waste Water
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes				
Other taxes				
Federal sources				198,249
State sources		759,829		
Charges for services				
Miscellaneous	49	961		
Total revenues	\$ 49	\$ 760,790	\$ -	\$ 198,249
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety				
Public works				
Health and welfare				
Culture recreation				
Debt service				
Principle				
Interest				
Debt issue costs				
Debt refunding				
Capital outlay		533,266		198,582
Total expenditures	\$ -	\$ 533,266	\$ -	\$ 198,582
Revenues over (under) expenditures	\$ 49	\$ 227,524	\$ -	\$ (333)
Other financing sources (uses):				
Transfer in		310,413		5,000
Transfer (out)				
Bond proceeds				
Bond premiums				
Bond discount				
Payment to escrow				
Loan proceeds				
Net changes in fund balances	\$ 49	\$ 537,937	\$ -	\$ 4,667
Fund balance, July 1, 2015	11,053	(507,204)	53,686	-
Fund balance, June 30, 2016	\$ 11,102	\$ 30,733	\$ 53,686	\$ 4,667

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

Capital Projects Funds			Debt Service Funds			
Capital Road	Loma Verde	Economic Development	Jail Revenue Bond	NMFA Loan Payments	Santa Rita Assessment	Loma Verde Debt
\$ -	\$ -	\$ -	\$ 938,974	\$ -	\$ -	\$ -
262,467					5,554	1
	106		59,268		193	
<u>\$ 262,467</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ 998,242</u>	<u>\$ -</u>	<u>\$ 5,747</u>	<u>\$ 1</u>
\$ -	\$ -	\$ -	\$ 543	\$ -	\$ -	\$ -
					45	
			840,000		4,778	
	866		124,975		672	
<u>155,923</u>	<u>65,469</u>					
<u>\$ 155,923</u>	<u>\$ 66,335</u>	<u>\$ -</u>	<u>\$ 965,518</u>	<u>\$ -</u>	<u>\$ 5,495</u>	<u>\$ -</u>
\$ 106,544	\$ (66,229)	\$ -	\$ 32,724	\$ -	\$ 252	\$ 1
6,332 (11,205)						
	115,513					
\$ 101,671	\$ 49,284	\$ -	\$ 32,724	\$ -	\$ 252	\$ 1
(187,999)		2,777	1,996,775	-	32,517	-
<u>\$ (86,328)</u>	<u>\$ 49,284</u>	<u>\$ 2,777</u>	<u>\$ 2,029,499</u>	<u>\$ -</u>	<u>\$ 32,769</u>	<u>\$ 1</u>

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

For The Fiscal Year Ended June 30, 2016

Debt Service Funds

	Hold Harmless	NM Waste Water	NM WW Reserve	Total
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 939,045
Gross receipts taxes				2,970,438
Other taxes				62,787
Federal sources				1,306,380
State sources				3,227,635
Charges for services				1,954,051
Miscellaneous	577			129,526
	<u>577</u>			<u>129,526</u>
Total revenues	<u>\$ 577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,589,862</u>
Expenditures:				
Current:				
General government	\$ 3,380	\$ -	\$ -	\$ 1,623,405
Public safety				4,448,496
Public works				45
Health and welfare				2,276,668
Culture recreation				78,522
Debt service				
Principle	135,000	5,000		1,226,352
Interest	208,876	9,156		395,368
Debt issue costs				866
Debt refunding				-
Capital outlay				2,067,349
	<u>347,256</u>	<u>14,156</u>	<u>-</u>	<u>12,117,071</u>
Total expenditures	<u>\$ 347,256</u>	<u>\$ 14,156</u>	<u>\$ -</u>	<u>\$ 12,117,071</u>
Revenues over (under) expenditures	\$ (346,679)	\$ (14,156)	\$ -	\$ (1,527,209)
Other financing sources (uses):				
Transfer in	271,110	12,916		3,033,718
Transfer (out)				(268,715)
Bond proceeds				-
Bond premiums				-
Bond discount				-
Payment to escrow				-
Loan proceeds				1,541,978
	<u>271,110</u>	<u>12,916</u>		<u>3,033,718</u>
Net changes in fund balances	\$ (75,569)	\$ (1,240)	\$ -	\$ 2,779,772
Fund balance, July 1, 2015	(260)	1,240	75,591	4,915,735
Fund balance, June 30, 2016	<u>\$ (75,829)</u>	<u>\$ -</u>	<u>\$ 75,591</u>	<u>\$ 7,695,507</u>

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

Grant County
NONMAJOR SPECIAL REVENUE FUNDS - RURAL FIRE DEPARTMENTS
COMBINING BALANCE SHEET
For the Fiscal Year Ended June 30, 2016

	<u>Gila/Cliff Fire</u>	<u>Fort Bayard Fire</u>	<u>Upper Mimbres Fire</u>	<u>Lower Mimbres Fire</u>
Assets				
Cash	\$ 34,964	\$ 241,175	\$ 70,761	\$ 108,552
Interfund receivable				
Total assets	<u>\$ 34,964</u>	<u>\$ 241,175</u>	<u>\$ 70,761</u>	<u>\$ 108,552</u>
Liabilities				
Accounts payable	\$ 426	\$ 388	\$ 13,471	\$ 65,121
Interfund payable				
Total liabilities	<u>\$ 426</u>	<u>\$ 388</u>	<u>\$ 13,471</u>	<u>\$ 65,121</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	\$ 34,537	\$ 49,403	\$ 57,290	\$ 43,431
Debt service	1			
Capital projects		191,384		
Unassigned				
Total fund balance	<u>\$ 34,538</u>	<u>\$ 240,787</u>	<u>\$ 57,290</u>	<u>\$ 43,431</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,964</u>	<u>\$ 241,175</u>	<u>\$ 70,761</u>	<u>\$ 108,552</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
\$ 133,299	\$ 95,842	\$ 722,359 38,070	\$ 768,211 21,859	\$ 617,296 8,318	\$ 2,792,459 68,247
<u>\$ 133,299</u>	<u>\$ 95,842</u>	<u>\$ 760,429</u>	<u>\$ 790,070</u>	<u>\$ 625,614</u>	<u>\$ 2,860,706</u>
\$ 146	\$ 1,044	\$ 442	\$ 2,480	\$ 224	\$ 83,742 -
<u>\$ 146</u>	<u>\$ 1,044</u>	<u>\$ 442</u>	<u>\$ 2,480</u>	<u>\$ 224</u>	<u>\$ 83,742</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 133,153	\$ 94,798	\$ 358,869 260 400,858	\$ 542,271 26,899 218,420	\$ 112,450 30 512,910	\$ 1,426,202 27,190 1,323,572 -
<u>\$ 133,153</u>	<u>\$ 94,798</u>	<u>\$ 759,987</u>	<u>\$ 787,590</u>	<u>\$ 625,390</u>	<u>\$ 2,776,964</u>
<u>\$ 133,299</u>	<u>\$ 95,842</u>	<u>\$ 760,429</u>	<u>\$ 790,070</u>	<u>\$ 625,614</u>	<u>\$ 2,860,706</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, 2016

	<u>Gila/Cliff Fire</u>	<u>Fort Bayard Fire</u>	<u>Upper Mimbres Fire</u>	<u>Lower Mimbres Fire</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	98,618	77,852	105,021	103,091
Charges for services				
Miscellaneous	<u>131</u>	<u>2,527</u>	<u>82</u>	<u>90</u>
Total revenues	<u>\$ 98,749</u>	<u>\$ 80,379</u>	<u>\$ 105,103</u>	<u>\$ 103,181</u>
Expenditures:				
Current				
Public safety	\$ 13,830	\$ 13,776	\$ 57,992	\$ 90,024
Debt service:				
Principal	36,249	26,656	22,292	16,782
Interest	1,139	3,510	606	456
Loan issue costs				
Capital outlay	<u>107,917</u>	<u> </u>	<u>90,756</u>	<u> </u>
Total expenditures	<u>\$ 159,135</u>	<u>\$ 43,942</u>	<u>\$ 171,646</u>	<u>\$ 107,262</u>
Revenues over (under) expenditures	\$ (60,386)	\$ 36,437	\$ (66,543)	\$ (4,081)
Other financing sources (uses):				
Transfer in				
Transfer (out)				
Loan proceeds		<u>192,503</u>		
Net change in fund balances	\$ (60,386)	\$ 228,940	\$ (66,543)	\$ (4,081)
Fund balance, July 1, 2015	<u>94,924</u>	<u>11,847</u>	<u>123,833</u>	<u>47,512</u>
Fund balance, June 30, 2016	<u>\$ 34,538</u>	<u>\$ 240,787</u>	<u>\$ 57,290</u>	<u>\$ 43,431</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66,176	158,496	247,830	393,594	71,684	1,322,362
69	43	416	481	506	4,345
<u>\$ 66,245</u>	<u>\$ 158,539</u>	<u>\$ 248,246</u>	<u>\$ 394,075</u>	<u>\$ 72,190</u>	<u>\$ 1,326,707</u>
\$ 10,712	\$ 85,332	\$ 49,027	\$ 102,435	\$ 17,070	\$ 440,198
18,418		40,734	44,091	14,976	220,198
114		2,141	36,346	3,230	47,542
	139,471				-
<u>\$ 29,244</u>	<u>\$ 224,803</u>	<u>\$ 91,902</u>	<u>\$ 182,872</u>	<u>\$ 35,276</u>	<u>\$ 1,046,082</u>
\$ 37,001	\$ (66,264)	\$ 156,344	\$ 211,203	\$ 36,914	\$ 280,625
			(2,000)		-
		403,684	198,975	516,303	(2,000)
<u>\$ 37,001</u>	<u>\$ (66,264)</u>	<u>\$ 560,028</u>	<u>\$ 408,178</u>	<u>\$ 553,217</u>	<u>\$ 1,590,090</u>
96,152	161,062	199,959	379,412	72,173	1,186,874
<u>\$ 133,153</u>	<u>\$ 94,798</u>	<u>\$ 759,987</u>	<u>\$ 787,590</u>	<u>\$ 625,390</u>	<u>\$ 2,776,964</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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 340,000	\$ 340,000	\$ 217,418	\$ (122,582)
Miscellaneous			45	45
Total revenues	\$ 340,000	\$ 340,000	\$ 217,463	\$ (122,537)
Expenditures:				
Current:				
Public safety	\$ 1,381,497	\$ 1,381,497	\$ 426,723	\$ 954,774
Capital outlay				-
Total expenditures	\$ 1,381,497	\$ 1,381,497	\$ 426,723	\$ 954,774
Revenues over (under) expenditures	\$ (1,041,497)	\$ (1,041,497)	\$ (209,260)	\$ 832,237
Other financing sources (uses):				
Transfer in/(out)				-
Net change in fund balance	\$ (1,041,497)	\$ (1,041,497)	\$ (209,260)	\$ 832,237
Fund balance, July 1, 2015	1,381,497	1,381,497	1,381,497	-
Fund balance, June 30, 2016	\$ 340,000	\$ 340,000	\$ 1,172,237	\$ 832,237
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (111,369)	
Revenue accruals (net)			(122,651)	
Expenditure accruals (net)			24,760	
Other financing uses			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (209,260)	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ -	\$ 23,474	\$ 73	\$ (23,401)
Federal sources	19,000		23,417	23,417
Total revenues	\$ 19,000	\$ 23,474	\$ 23,490	\$ 16
Expenditures:				
Current:				
Health and welfare	\$ 21,989	\$ 27,713	\$ 27,713	\$ -
Capital outlay				-
Total expenditures	\$ 21,989	\$ 27,713	\$ 27,713	\$ -
Revenues over (under) expenditures	\$ (2,989)	\$ (4,239)	\$ (4,223)	\$ 16
Other financing sources (uses):				
Transfer in		1,250	1,250	-
Net change in fund balance	\$ (2,989)	\$ (2,989)	\$ (2,973)	\$ 16
Fund balance, July 1, 2015	2,989	2,989	2,989	-
Fund balance, June 30, 2016	\$ -	\$ -	\$ 16	\$ 16
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (2,252)	
Revenue accruals (net)			2	
Expenditure accruals (net)			(723)	
Other financing uses				
Net change in fund balance, NON-GAAP budgetary basis			\$ (2,973)	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
State sources	6,115	12,344	6,100	(6,244)
Total revenues	\$ 6,115	\$ 12,344	\$ 6,100	\$ (6,244)
Expenditures:				
Current:				
Culture and recreation	\$ 6,394	\$ 12,623	\$ 6,379	\$ 6,244
Capital outlay	-	-	-	-
Total expenditures	\$ 6,394	\$ 12,623	\$ 6,379	\$ 6,244
Revenues over (under) expenditures	\$ (279)	\$ (279)	\$ (279)	\$ -
Other financing sources (uses):				
Transfer in/(out)	-	-	-	-
Net change in fund balance	\$ (279)	\$ (279)	\$ (279)	\$ -
Fund balance, July 1, 2015	327	327	327	-
Fund balance, June 30, 2016	\$ 48	\$ 48	\$ 48	\$ -
 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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 620,000	\$ 620,000	\$ 559,189	\$ (60,811)
State sources	424,828	424,828	213,603	(211,225)
Miscellaneous	<u>681</u>	<u>681</u>	<u>681</u>	<u>681</u>
Total revenues	<u>\$ 1,044,828</u>	<u>\$ 1,044,828</u>	<u>\$ 773,473</u>	<u>\$ (271,355)</u>
Expenditures:				
Current:				
Public safety	\$ 2,667,298	\$ 2,667,298	\$ 2,597,808	\$ 69,490
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 2,667,298</u>	<u>\$ 2,667,298</u>	<u>\$ 2,597,808</u>	<u>\$ 69,490</u>
Revenues over (under) expenditures	\$ (1,622,470)	\$ (1,622,470)	\$ (1,824,335)	\$ (201,865)
Other financing sources (uses):				
Transfer in	<u>1,500,140</u>	<u>1,701,189</u>	<u>1,701,189</u>	<u>-</u>
Net change in fund balance	\$ (122,330)	\$ 78,719	\$ (123,146)	\$ (201,865)
Fund balance, July 1, 2015	<u>155,852</u>	<u>155,582</u>	<u>155,852</u>	<u>270</u>
Fund balance, June 30, 2016	<u>\$ 33,522</u>	<u>\$ 234,301</u>	<u>\$ 32,706</u>	<u>\$ (201,595)</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (82,351)	
Revenue accruals (net)			(73,383)	
Expenditure accruals (net)			32,588	
Other financing uses			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (123,146)</u>	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 33,000	\$ 33,000	\$ 30,459	\$ (2,541)
Expenditures:				
Current:				
General government	\$ 7,500	\$ 7,500	\$ 18,009	\$ (10,509)
Capital outlay	25,500	120,500	42,499	78,001
Total expenditures	\$ 33,000	\$ 128,000	\$ 60,508	\$ 67,492
Net change in fund balance	\$ -	\$ (95,000)	\$ (30,049)	\$ 64,951
Fund balance, July 1, 2015	-	240,326	240,326	-
Fund balance, June 30, 2016	\$ -	\$ 145,326	\$ 210,277	\$ 64,951
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (30,049)	
Revenue accruals (net)				
Expenditure accruals (net)				
Other financing sources				
Net change in fund balance, NON-GAAP budgetary basis			\$ (30,049)	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 42,200	\$ 42,200	\$ 42,250	\$ 50
Expenditures:				
Current:				
Public safety	\$ 42,800	\$ 42,800	\$ 42,797	\$ 3
Capital outlay				-
Total expenditures	\$ 42,800	\$ 42,800	\$ 42,797	\$ 3
Net change in fund balance	\$ (600)	\$ (600)	\$ (547)	\$ 53
Fund balance, July 1, 2015	600	600	1	(599)
Fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (546)</u>	<u>\$ (546)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (547)	
Revenue accruals (net)				
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (547)</u>	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 67,000	\$ 67,000	\$ 63,928	\$ (3,072)
Expenditures:				
Current:				
Culture and recreation	76,699	76,699	72,143	4,556
Revenues over (under) expenditures	\$ (9,699)	\$ (9,699)	\$ (8,215)	\$ 1,484
Other financing sources (uses):				
Transfer in/(out)		(2,500)	(2,500)	-
Net change in fund balance	\$ (9,699)	\$ (12,199)	\$ (10,715)	\$ 1,484
Fund balance, July 1, 2015	41,745	41,745	41,745	-
Fund balance, June 30, 2016	\$ 32,046	\$ 29,546	\$ 31,030	\$ 1,484
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (11,856)	
Revenue accruals (net)			1,141	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (10,715)	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 3,688	\$ -	\$ (3,688)
State sources	12,212	331,532	215,844	(115,688)
Charges for services	<u>551,054</u>	<u>594,114</u>	<u>547,684</u>	<u>(46,430)</u>
Total revenues	<u>\$ 563,266</u>	<u>\$ 929,334</u>	<u>\$ 763,528</u>	<u>\$ (165,806)</u>
Expenditures:				
Current:				
General government	\$ 127,744	\$ 651,448	\$ 567,082	\$ 84,366
Capital outlay	<u>320,706</u>	<u>320,706</u>	<u>317,474</u>	<u>3,232</u>
Total expenditures	<u>\$ 448,450</u>	<u>\$ 972,154</u>	<u>\$ 884,556</u>	<u>\$ 87,598</u>
Revenues over (under) expenditures	\$ 114,816	\$ (42,820)	\$ (121,028)	\$ (78,208)
Other financing sources (uses):				
Transfer in	<u>\$ -</u>	<u>\$ 128,148</u>	<u>\$ 171,208</u>	<u>\$ 43,060</u>
Net change in fund balance	\$ 114,816	\$ 85,328	\$ 50,180	\$ (35,148)
Fund balance, July 1, 2015	<u>(47,343)</u>	<u>(47,343)</u>	<u>(47,343)</u>	<u>-</u>
Fund balance, June 30, 2016	<u>\$ 67,473</u>	<u>\$ 37,985</u>	<u>\$ 2,837</u>	<u>\$ (35,148)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 83,901	
Revenue accruals (net)			(85,191)	
Expenditure accruals (net)			<u>51,470</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 50,180</u>	

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Charges for services	\$ 91,000	\$ 91,000	\$ 105,286	\$ 14,286
Expenditures:				
Current:				
General government	\$ 101,200	\$ 77,437	\$ 99,561	\$ (22,124)
Capital outlay	48,000	71,763	17,617	54,146
Total expenditures	<u>\$ 149,200</u>	<u>\$ 149,200</u>	<u>\$ 117,178</u>	<u>\$ 32,022</u>
Net change in fund balance	\$ (58,200)	\$ (58,200)	\$ (11,892)	\$ 46,308
Fund balance, July 1, 2015	<u>227,239</u>	<u>227,239</u>	<u>227,239</u>	<u>-</u>
Fund balance, June 30, 2016	<u>\$ 169,039</u>	<u>\$ 169,039</u>	<u>\$ 215,347</u>	<u>\$ 46,308</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (11,651)	
Revenue accruals (net)				
Expenditure accruals (net)			<u>(241)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (11,892)</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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 40,250	\$ 50,759	\$ 48,125	\$ (2,634)
Miscellaneous				-
Total revenues	<u>\$ 40,250</u>	<u>\$ 50,759</u>	<u>\$ 48,125</u>	<u>\$ (2,634)</u>
Expenditures:				
Current:				
Public Safety	\$ 60,516	\$ 68,391	\$ 61,344	\$ 7,047
Capital outlay				-
Total expenditures	<u>\$ 60,516</u>	<u>\$ 68,391</u>	<u>\$ 61,344</u>	<u>\$ 7,047</u>
Revenues over (under) expenditures	\$ (20,266)	\$ (17,632)	\$ (13,219)	\$ 4,413
Other financing sources (uses):				
Transfer out				<u>\$ -</u>
Net change in fund balance	\$ (20,266)	\$ (17,632)	\$ (13,219)	\$ 4,413
Fund balance, July 1, 2015	<u>24,937</u>	<u>24,937</u>	<u>24,937</u>	<u>-</u>
Fund balance, June 30, 2016	<u><u>\$ 4,671</u></u>	<u><u>\$ 7,305</u></u>	<u><u>\$ 11,718</u></u>	<u><u>\$ 4,413</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (37,685)	
Revenue accruals (net)			24,466	
Expenditure accruals (net)				
Other financing uses (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (13,219)</u></u>	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 180,000	\$ 180,000	\$ 114,698	\$ (65,302)
Charges for services	411,000	411,000	409,365	(1,635)
Miscellaneous	27,000	27,000	26,461	(539)
Total revenues	<u>\$ 618,000</u>	<u>\$ 618,000</u>	<u>\$ 550,524</u>	<u>\$ (67,476)</u>
Expenditures:				
Current:				
Health and welfare	\$ 590,400	\$ 644,598	\$ 644,536	\$ 62
Revenues over (under) expenditures	\$ 27,600	\$ (26,598)	\$ (94,012)	\$ (67,414)
Other financing sources (uses):				
Transfer out	(135,000)	(135,000)	(135,000)	-
Net change in fund balance	\$ (107,400)	\$ (161,598)	\$ (229,012)	\$ (67,414)
Fund balance, July 1, 2015	543,843	543,843	543,843	-
Fund balance, June 30, 2016	<u>\$ 436,443</u>	<u>\$ 382,245</u>	<u>\$ 314,831</u>	<u>\$ (67,414)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (147,793)	
Revenue accruals (net)			(91,700)	
Expenditure accruals (net)			10,481	
Other financing uses (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (229,012)</u>	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 620,000	\$ 620,000	\$ 559,678	\$ (60,322)
State sources				-
Miscellaneous	81,124	81,124	34,779	(46,345)
Total revenues	\$ 701,124	\$ 701,124	\$ 594,457	\$ (106,667)
Expenditures:				
Current:				
Public safety	\$ 782,450	\$ 782,450	\$ 605,043	\$ 177,407
Capital outlay				-
Total expenditures	\$ 782,450	\$ 782,450	\$ 605,043	\$ 177,407
Revenues over (under) expenditures	\$ (81,326)	\$ (81,326)	\$ (10,586)	\$ 70,740
Other financing sources (uses):				
Transfer in	\$ 81,124	\$ 81,124	\$ 81,124	\$ -
Net change in fund balance	\$ (202)	\$ (202)	\$ 70,538	\$ 70,740
Fund balance, July 1, 2015	10,526	10,526	10,526	-
Fund balance, June 30, 2016	\$ 10,324	\$ 10,324	\$ 81,064	\$ 70,740
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 121,046	
Revenue accruals (net)			(73,410)	
Expenditure accruals (net)			22,902	
Net change in fund balance, NON-GAAP budgetary basis			\$ 70,538	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 61,134	\$ 78,416	\$ 61,134	\$ (17,282)
Miscellaneous			72	72
Total revenues	\$ 61,134	\$ 78,416	\$ 61,206	\$ (17,210)
Expenditures:				
Current:				
Public safety	\$ 49,758	\$ 49,758	\$ 13,408	\$ 36,350
Capital outlay	28,658	123,740	107,917	15,823
Total expenditures	\$ 78,416	\$ 173,498	\$ 121,325	\$ 52,173
Revenues over (under) expenditures	\$ (17,282)	\$ (95,082)	\$ (60,119)	\$ 34,963
Other financing sources (uses):				
Transfer out				\$ -
Net change in fund balance	\$ (17,282)	\$ (95,082)	\$ (60,119)	\$ 34,963
Fund balance, July 1, 2015	95,082	95,082	95,082	-
Fund balance, June 30, 2016	\$ 77,800	\$ -	\$ 34,963	\$ 34,963
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (60,386)	
Revenue accruals (net)			(37,484)	
Expenditure accruals (net)			37,738	
NMFA transactions (net)			13	
Net change in fund balance, NON-GAAP budgetary basis			\$ (60,119)	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 77,852	\$ 77,852	\$ 77,852	\$ -
Miscellaneous			2,202	2,202
Total revenues	\$ 77,852	\$ 77,852	\$ 80,054	\$ 2,202
Expenditures:				
Current:				
Public safety	\$ 35,373	\$ 35,373	\$ 12,299	\$ 23,074
Capital outlay	20,000	20,000		20,000
Total expenditures	\$ 55,373	\$ 55,373	\$ 12,299	\$ 43,074
Revenues over (under) expenditures	\$ 22,479	\$ 22,479	\$ 67,755	\$ 45,276
Other financing sources (uses):				
Transfer out	\$ (30,166)	\$ (30,166)	\$ (30,166)	\$ -
Net change in fund balance	\$ (7,687)	\$ (7,687)	\$ 37,589	\$ 45,276
Fund balance, July 1, 2015	12,202	12,202	12,202	-
Fund balance, June 30, 2016	\$ 4,515	\$ 4,515	\$ 49,791	\$ 45,276
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 228,940	
Revenue accruals (net)			33	
Expenditure accruals (net)				
Other financing sources (net)				
NMFA transactions (net)			(191,384)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 37,589	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 75,720	\$ 75,720	\$ 82,123	\$ 6,403
Miscellaneous			45	45
Total revenues	\$ 75,720	\$ 75,720	\$ 82,168	\$ 6,448
Expenditures:				
Current:				
Public safety	\$ 53,600	\$ 53,600	\$ 44,623	\$ 8,977
Capital outlay	120,772	120,772	90,756	30,016
Total expenditures	\$ 174,372	\$ 174,372	\$ 135,379	\$ 38,993
Revenues over (under) expenditures	\$ (98,652)	\$ (98,652)	\$ (53,211)	\$ 45,441
Other financing sources (uses):				
Transfer out				\$ -
Net change in fund balance	\$ (98,652)	\$ (98,652)	\$ (53,211)	\$ 45,441
Fund balance, July 1, 2015	123,972	123,972	123,972	-
Fund balance, June 30, 2016	\$ 25,320	\$ 25,320	\$ 70,761	\$ 45,441
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (66,543)	
Revenue accruals (net)			(22,898)	
Expenditure accruals (net)			36,222	
NMFA transactions (net)			8	
Net change in fund balance, NON-GAAP budgetary basis			\$ (53,211)	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 81,380	\$ 81,380	\$ 85,853	\$ 4,473
Miscellaneous			63	63
Total revenues	\$ 81,380	\$ 81,380	\$ 85,916	\$ 4,536
Expenditures:				
Current:				
Public safety	\$ 55,100	\$ 55,100	\$ 24,985	\$ 30,115
Capital outlay	23,016	23,016		23,016
Total expenditures	\$ 78,116	\$ 78,116	\$ 24,985	\$ 53,131
Revenues over (under) expenditures	\$ 3,264	\$ 3,264	\$ 60,931	\$ 57,667
Other financing sources (uses):				
Transfer out				-
Net change in fund balance	\$ 3,264	\$ 3,264	\$ 60,931	\$ 57,667
Fund balance, July 1, 2015			47,621	47,621
Fund balance, June 30, 2016	\$ 3,264	\$ 3,264	\$ 108,552	\$ 105,288
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (4,081)	
Revenue accruals (net)			(17,238)	
Expenditure accruals (net)			82,244	
NMFA transactions (net)			6	
Net change in fund balance, NON-GAAP budgetary basis			\$ 60,931	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - SAPILLO 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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 66,176	\$ 66,176	\$ 66,176	\$ -
Charges for services				-
Miscellaneous			38	38
Total revenues	<u>\$ 66,176</u>	<u>\$ 66,176</u>	<u>\$ 66,214</u>	<u>\$ 38</u>
Expenditures:				
Current:				
Public safety	\$ 52,418	\$ 52,418	\$ 10,622	\$ 41,796
Capital outlay				-
Total expenditures	<u>\$ 52,418</u>	<u>\$ 52,418</u>	<u>\$ 10,622</u>	<u>\$ 41,796</u>
Revenues over (under) expenditures	\$ 13,758	\$ 13,758	\$ 55,592	\$ 41,834
Other financing sources (uses):				
Transfer out				\$ -
Net change in fund balance	\$ 13,758	\$ 13,758	\$ 55,592	\$ 41,834
Fund balance, July 1, 2015			<u>77,707</u>	<u>77,707</u>
Fund balance, June 30, 2016	<u>\$ 13,758</u>	<u>\$ 13,758</u>	<u>\$ 133,299</u>	<u>\$ 119,541</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 37,001	
Revenue accruals (net)				
Expenditure accruals (net)			33	
NMFA transactions (net)			<u>18,558</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 55,592</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 155,704	\$ 155,704	\$ 158,496	\$ 2,792
Charges for services				-
Miscellaneous			43	43
Total revenues	<u>\$ 155,704</u>	<u>\$ 155,704</u>	<u>\$ 158,539</u>	<u>\$ 2,835</u>
Expenditures:				
Current:				
Public safety	\$ 95,100	\$ 130,000	\$ 86,387	\$ 43,613
Capital outlay	168,151	188,865	139,471	49,394
Total expenditures	<u>\$ 263,251</u>	<u>\$ 318,865</u>	<u>\$ 225,858</u>	<u>\$ 93,007</u>
Net change in fund balance	\$ (107,547)	\$ (163,161)	\$ (67,319)	\$ 95,842
Fund balance, July 1, 2015	<u>163,161</u>	<u>163,161</u>	<u>163,161</u>	<u>-</u>
Fund balance, June 30, 2016	<u><u>\$ 55,614</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 95,842</u></u>	<u><u>\$ 95,842</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (66,264)	
Revenue accruals (net)				
NMFA transactions (net)				
Expenditure accruals (net)			<u>(1,055)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (67,319)</u></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

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 204,748	\$ 204,748	\$ 204,748	\$ -
Charges for services				-
Miscellaneous			145	145
Total revenues	\$ 204,748	\$ 204,748	\$ 204,893	\$ 145
Expenditures:				
Current:				
Public safety	\$ 94,653	\$ 94,653	\$ 45,796	\$ 48,857
Capital outlay	101,654	101,654		101,654
Total expenditures	\$ 196,307	\$ 196,307	\$ 45,796	\$ 150,511
Revenues over (under) expenditures	\$ 8,441	\$ 8,441	\$ 159,097	\$ 150,656
Other financing sources (uses):				
Transfer out	\$ (16,068)	\$ (16,068)	\$ (16,068)	\$ -
Net change in fund balance	\$ (7,627)	\$ (7,627)	\$ 143,029	\$ 150,656
Fund balance, July 1, 2015	178,212	178,212	178,212	-
Fund balance, June 30, 2016	\$ 170,585	\$ 170,585	\$ 321,241	\$ 150,656
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 560,028	
Revenue accruals (net)			(43,082)	
Expenditure accruals (net)			43,078	
Other financing uses (net)			(16,068)	
NMFA transactions (net)			(400,927)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 143,029	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 321,243	\$ 321,243	\$ 325,577	\$ 4,334
Federal sources				-
Charges for services				-
Miscellaneous			57	57
	<u>\$ 321,243</u>	<u>\$ 321,243</u>	<u>\$ 325,634</u>	<u>\$ 4,391</u>
Total revenues				
Expenditures:				
Current:				
Public safety	\$ 292,920	\$ 494,640	\$ 111,197	\$ 383,443
Capital outlay				-
	<u>\$ 292,920</u>	<u>\$ 494,640</u>	<u>\$ 111,197</u>	<u>\$ 383,443</u>
Total expenditures				
Revenues over (under) expenditures	\$ 28,323	\$ (173,397)	\$ 214,437	\$ 387,834
Other financing sources (uses):				
Transfer in/(out)	\$ 109	\$ 197,084	\$ (2,000)	\$ (199,084)
Net change in fund balance	\$ 28,432	\$ 23,687	\$ 212,437	\$ 188,750
Fund balance, July 1, 2015			<u>310,455</u>	<u>310,455</u>
Fund balance, June 30, 2016	<u>\$ 28,432</u>	<u>\$ 23,687</u>	<u>\$ 522,892</u>	<u>\$ 499,205</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 408,178	
Revenue accruals (net)			(68,017)	
Expenditure accruals (net)			69,094	
NMFA transactions (net)			<u>(196,818)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 212,437</u>	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 51,716	\$ 51,716	\$ 53,332	\$ 1,616
Federal sources				-
Charges for services				-
Miscellaneous				-
Total revenues	\$ 51,716	\$ 51,716	\$ 53,332	\$ 1,616
Expenditures:				
Current:				
Public safety	\$ 55,501	\$ 55,501	\$ 12,963	\$ 42,538
Capital outlay				-
Total expenditures	\$ 55,501	\$ 55,501	\$ 12,963	\$ 42,538
Revenues over (under) expenditures	\$ (3,785)	\$ (3,785)	\$ 40,369	\$ 44,154
Other financing sources (uses):				
Transfer out				\$ -
Net change in fund balance	\$ (3,785)	\$ (3,785)	\$ 40,369	\$ 44,154
Fund balance, July 1, 2015	63,987	63,987	63,987	-
Fund balance, June 30, 2016	\$ 60,202	\$ 60,202	\$ 104,356	\$ 44,154
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 553,217	
Revenue accruals (net)			(18,352)	
Expenditure accruals (net)			18,442	
Other financing sources (net)			(512,938)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 40,369	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General government	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2015	-	-	498	498
Fund balance, June 30, 2016	\$ -	\$ -	\$ 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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
	-	-	-	-
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public safety	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-
	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfer in				-
Transfer out				-
	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2015	-	-	54	54
Fund balance, June 30, 2016	\$ -	\$ -	\$ 54	\$ 54
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 - 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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 212,849	\$ 212,849	\$ 203,920	\$ (8,929)
State sources	389,365	457,130	342,061	(115,069)
Charges for services	149,677	255,847	48,399	(207,448)
Miscellaneous				-
Total revenues	<u>\$ 751,891</u>	<u>\$ 925,826</u>	<u>\$ 594,380</u>	<u>\$ (331,446)</u>
Expenditures:				
Current:				
Health and welfare	\$ 646,314	\$ 687,394	\$ 580,076	\$ 107,318
Capital outlay		133,120	21,394	111,726
Total expenditures	<u>\$ 646,314</u>	<u>\$ 820,514</u>	<u>\$ 601,470</u>	<u>\$ 219,044</u>
Revenues over (under) expenditures	\$ 105,577	\$ 105,312	\$ (7,090)	\$ (112,402)
Other financing sources (uses):				
Transfer in				<u>\$ -</u>
Net change in fund balance	\$ 105,577	\$ 105,312	\$ (7,090)	\$ (112,402)
Fund balance, July 1, 2015			<u>37,416</u>	<u>37,416</u>
Fund balance, June 30, 2016	<u>\$ 105,577</u>	<u>\$ 105,312</u>	<u>\$ 30,326</u>	<u>\$ (74,986)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (67,103)	
Revenue accruals (net)			53,969	
Expenditure accruals (net)			6,044	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (7,090)</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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 70,068	\$ 70,068	\$ 70,068	\$ -
Charges for services				-
Miscellaneous			10	10
	<u>70,068</u>	<u>70,068</u>	<u>70,078</u>	<u>10</u>
Total revenues	\$ 70,068	\$ 70,068	\$ 70,078	\$ 10
Expenditures:				
Current:				
Public safety	\$ 50,600	\$ 50,600	\$ 23,491	\$ 27,109
Capital outlay	50,000	50,000	47,500	2,500
	<u>100,600</u>	<u>100,600</u>	<u>70,991</u>	<u>29,609</u>
Total expenditures	\$ 100,600	\$ 100,600	\$ 70,991	\$ 29,609
Revenues over (under) expenditures	\$ (30,532)	\$ (30,532)	\$ (913)	\$ 29,619
Other financing sources (uses):				
Transfer out				\$ -
Net change in fund balance	\$ (30,532)	\$ (30,532)	\$ (913)	\$ 29,619
Fund balance, July 1, 2015	<u>195,150</u>	<u>195,150</u>	<u>195,150</u>	<u>-</u>
Fund balance, June 30, 2016	<u>\$ 164,618</u>	<u>\$ 164,618</u>	<u>\$ 194,237</u>	<u>\$ 29,619</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (499)	
Revenue accruals (net)			(414)	
Expenditure accruals (net)			(414)	
Other financing sources (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (913)</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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 634,967	\$ 883,324	\$ 218,093	\$ (665,231)
Charges for services				-
Miscellaneous				-
Total revenues	<u>\$ 634,967</u>	<u>\$ 883,324</u>	<u>\$ 218,093</u>	<u>\$ (665,231)</u>
Expenditures:				
Current:				
Public safety	\$ 303,054	\$ 399,017	\$ 198,873	\$ 200,144
Capital outlay		152,394	152,912	(518)
Total expenditures	<u>\$ 303,054</u>	<u>\$ 551,411</u>	<u>\$ 351,785</u>	<u>\$ 199,626</u>
Revenues over (under) expenditures	\$ 331,913	\$ 331,913	\$ (133,692)	\$ (465,605)
Other financing sources (uses):				
Transfer in	\$ -	\$ 143,176	\$ 143,176	\$ -
Net change in fund balance	\$ 331,913	\$ 475,089	\$ 9,484	\$ (465,605)
Fund balance, July 1, 2015	<u>(329,516)</u>	<u>(329,516)</u>	<u>(329,516)</u>	<u>-</u>
Fund balance, June 30, 2016	<u>\$ 2,397</u>	<u>\$ 145,573</u>	<u>\$ (320,032)</u>	<u>\$ (465,605)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 10,903	
Revenue accruals (net)			(1,419)	
Expenditure accruals (net)				
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 9,484</u>	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - HOSPITAL INDIGENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ 1,066,226	\$ 1,066,226	\$ 1,053,418	\$ (12,808)
State sources				-
Miscellaneous			443	443
	<u>\$ 1,066,226</u>	<u>\$ 1,066,226</u>	<u>\$ 1,053,861</u>	<u>\$ (12,365)</u>
Total revenues				
Expenditures:				
Current:				
Health and welfare	\$ 1,400,000	\$ 1,400,000	\$ 983,199	\$ 416,801
Capital outlay				-
	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>	<u>\$ 983,199</u>	<u>\$ 416,801</u>
Total expenditures				
Revenues over (under) expenditure:	\$ (333,774)	\$ (333,774)	\$ 70,662	\$ 404,436
Other financing sources (uses):				
Transfer out	<u>(118,010)</u>	<u>(118,010)</u>	<u>(118,010)</u>	<u>-</u>
Net change in fund balance	\$ (451,784)	\$ (451,784)	\$ (47,348)	\$ 404,436
Fund balance, July 1, 2015	<u>841,932</u>	<u>841,932</u>	<u>841,932</u>	<u>-</u>
Fund balance, June 30, 2016	<u><u>\$ 390,148</u></u>	<u><u>\$ 390,148</u></u>	<u><u>\$ 794,584</u></u>	<u><u>\$ 404,436</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 118,772	
Revenue accruals (net)			(140,716)	
Expenditure accruals (net)			(25,404)	
Other financing uses			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (47,348)</u></u>	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - GRANT COUNTY HEALTH COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Charges for services	\$ -	\$ 181,231	\$ 217,145	\$ 35,914
State sources		15,000	13,750	(1,250)
Miscellaneous				-
	<u>\$ -</u>	<u>\$ 196,231</u>	<u>\$ 230,895</u>	<u>\$ 34,664</u>
Total revenues				
Expenditures:				
Current:				
Health and welfare	\$ -	\$ 151,263	\$ 72,062	\$ 79,201
Capital outlay				-
	<u>\$ -</u>	<u>\$ 151,263</u>	<u>\$ 72,062</u>	<u>\$ 79,201</u>
Total expenditures				
Revenues over (under) expenditure:	\$ -	\$ 44,968	\$ 158,833	\$ 113,865
Other financing sources (uses):				
Transfer out				-
Net change in fund balance	\$ -	\$ 44,968	\$ 158,833	\$ 113,865
Fund balance, July 1, 2015				-
Fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ 44,968</u>	<u>\$ 158,833</u>	<u>\$ 113,865</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 158,833	
Revenue accruals (net)				
Expenditure accruals (net)				
Other financing uses				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 158,833</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 1,016,181	\$ 1,969,481	\$ 695,969	\$ (1,273,512)
Charges for services	575,990	575,990	346,776	(229,214)
Miscellaneous			1,558	1,558
	<u>1,592,171</u>	<u>2,545,471</u>	<u>1,044,303</u>	<u>(1,501,168)</u>
Total revenues				
Expenditures:				
Current:				
General government	\$ 382,486	\$ 1,055,536	\$ 898,861	\$ 156,675
Capital outlay				-
	<u>382,486</u>	<u>1,055,536</u>	<u>898,861</u>	<u>156,675</u>
Total expenditures				
Revenues over (under) expenditures	\$ 1,209,685	\$ 1,489,935	\$ 145,442	\$ (1,344,493)
Other financing sources (uses):				
Transfer in	\$ 330,000		\$ 330,000	\$ 330,000
Net change in fund balance	\$ 1,539,685	\$ 1,489,935	\$ 475,442	\$ (1,014,493)
Fund balance, July 1, 2015	<u>(975,837)</u>	<u>(975,837)</u>	<u>(975,837)</u>	<u>-</u>
Fund balance, June 30, 2016	<u>\$ 563,848</u>	<u>\$ 514,098</u>	<u>\$ (500,395)</u>	<u>\$ (1,014,493)</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 549,885	
Revenue accruals (net)			(74,294)	
Expenditure accruals (net)			(149)	
Other financing sources (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 475,442</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ 753,736	\$ 753,736	\$ 936,890	\$ 183,154
Miscellaneous	40,569	40,569	59,268	18,699
Total revenues	<u>\$ 794,305</u>	<u>\$ 794,305</u>	<u>\$ 996,158</u>	<u>\$ 201,853</u>
Expenditures:				
Debt service	<u>\$ 940,319</u>	<u>\$ 965,518</u>	<u>\$ 965,518</u>	<u>\$ -</u>
Total expenditures	<u>\$ 940,319</u>	<u>\$ 965,518</u>	<u>\$ 965,518</u>	<u>\$ -</u>
Revenues over (under) expenditures:	\$ (146,014)	\$ (171,213)	\$ 30,640	\$ 201,853
Other financing sources (uses):				
Transfer in	<u> </u>	<u> </u>	<u> </u>	<u>\$ -</u>
Net change in fund balance	\$ (146,014)	\$ (171,213)	\$ 30,640	\$ 201,853
Fund balance, July 1, 2015	<u>1,986,197</u>	<u>1,986,197</u>	<u>1,986,197</u>	<u>-</u>
Fund balance, June 30, 2016	<u><u>\$ 1,840,183</u></u>	<u><u>\$ 1,814,984</u></u>	<u><u>\$ 2,016,837</u></u>	<u><u>\$ 201,853</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 32,724	
Revenue accruals (net)			(2,084)	
Expenditure accruals (net)				
Other financing sources (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 30,640</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous			5,741	5,741
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,741</u>	<u>\$ 5,741</u>
Expenditures:				
Capital outlay	<u>\$ -</u>			<u>\$ -</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues over (under) expenditure:	\$ -	\$ -	\$ 5,741	\$ 5,741
Other financing sources (uses):				
Transfer in	<u>\$ 36,612</u>	<u>\$ 36,612</u>	<u>\$ 24,512</u>	<u>\$ (12,100)</u>
Net change in fund balance	\$ 36,612	\$ 36,612	\$ 30,253	\$ (6,359)
Fund balance, July 1, 2015	<u>(4,062)</u>	<u>(4,062)</u>	<u>(4,062)</u>	<u>-</u>
Fund balance, June 30, 2016	<u><u>\$ 32,550</u></u>	<u><u>\$ 32,550</u></u>	<u><u>\$ 26,191</u></u>	<u><u>\$ (6,359)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 252	
Revenue accruals (net)			(6)	
Expenditure accruals (net)			5,495	
Other financing sources (net)			<u>24,512</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 30,253</u></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, 2016

	<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	\$ 58,125	\$ 58,125	\$ 39,365	\$ 18,760
Total expenditures	<u>\$ 58,125</u>	<u>\$ 58,125</u>	<u>\$ 39,365</u>	<u>\$ 18,760</u>
Revenues over (under) expenditure	\$ (58,125)	\$ (58,125)	\$ (39,365)	\$ 18,760
Other financing sources (uses):				
Transfer in	\$ 58,125	\$ 58,125	\$ 58,125	\$ -
Net change in fund balance	\$ -	\$ -	\$ 18,760	\$ 18,760
Fund balance, July 1, 2015			<u>53,269</u>	<u>53,269</u>
Fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,029</u>	<u>\$ 72,029</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(39,365)	
Expenditure accruals (net)				
Other financing sources (net)			<u>58,125</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 18,760</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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ -		\$ -	\$ -
Miscellaneous			577	577
Total revenues	\$ -	\$ -	\$ 577	\$ 577
Expenditures:				
Current				
General government	\$ 105,000	\$ 105,000	\$ 3,380	\$ 101,620
Principle		135,000	135,000	-
Interest	165,850	165,850	208,876	(43,026)
Total expenditures	\$ 270,850	\$ 405,850	\$ 347,256	\$ 58,594
Revenues over (under) expenditures	\$ (270,850)	\$ (405,850)	\$ (346,679)	\$ 59,171
Other financing sources (uses):				
Transfer in	\$ 271,110	\$ 406,110	\$ 271,110	\$ (135,000)
Net change in fund balance	\$ 260	\$ 260	\$ (75,569)	\$ (75,829)
Fund balance, July 1, 2015	(260)	(260)	(260)	-
Fund balance, June 30, 2016	\$ -	\$ -	\$ (75,829)	\$ (75,829)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (75,569)	
Revenue accruals (net)				
Expenditure accruals (net)				
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (75,569)	

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, 2016

	<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	\$ -	\$ -	\$ -	\$ -
Principle	5,000	5,000	5,000	-
Interest		9,156	9,156	-
Total expenditures	<u>\$ 5,000</u>	<u>\$ 14,156</u>	<u>\$ 14,156</u>	<u>\$ -</u>
Revenues over (under) expenditures	\$ (5,000)	\$ (14,156)	\$ (14,156)	\$ -
Other financing sources (uses):				
Transfer in	<u>\$ 3,760</u>	<u>\$ 12,916</u>	<u>\$ 12,916</u>	<u>\$ -</u>
Net change in fund balance	\$ (1,240)	\$ (1,240)	\$ (1,240)	\$ -
Fund balance, July 1, 2015	<u>1,240</u>	<u>1,240</u>	<u>1,240</u>	<u>-</u>
Fund balance, June 30, 2016	<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			\$ (1,240)	
Revenue accruals (net)				
Expenditure accruals (net)				
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (1,240)</u></u>	

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, 2016

	<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	\$ -		\$ -	\$ -
Debt service reserve				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfer in				<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2015			<u>75,591</u>	<u>75,591</u>
Fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,591</u>	<u>\$ 75,591</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 ROAD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 262,467	\$ 516,742	\$ 262,467	\$ (254,275)
Expenditures:				
Capital outlay	71,676	325,951	136,438	189,513
Revenues over (under) expenditures	\$ 190,791	\$ 190,791	\$ 126,029	\$ (64,762)
Other financing sources (uses):				
Transfer in/(out)	(4,873)	(4,873)	(4,873)	-
Net change in fund balance	\$ 185,918	\$ 185,918	\$ 121,156	\$ (64,762)
Fund balance, July 1, 2015	(185,918)	(185,918)	(185,918)	-
Fund balance, June 30, 2016	\$ -	\$ -	\$ (64,762)	\$ (64,762)
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 101,671	
Revenue accruals (net)			19,485	
Expenditure accruals (net)			19,485	
Net change in fund balance, NON-GAAP budgetary basis			\$ 121,156	

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 626,166	\$ 2,489,054	\$ 707,089	\$ (1,781,965)
Expenditures:				
Capital outlay	<u>585,744</u>	<u>3,110,338</u>	<u>575,341</u>	<u>2,534,997</u>
Revenues over (under) expenditures	\$ 40,422	\$ (621,284)	\$ 131,748	\$ 753,032
Other financing sources (uses):				
Loan proceeds	\$ 20,612	\$ 609,180		\$ (609,180)
Transfer in/(out)	<u>490,563</u>	<u>553,701</u>	<u>210,461</u>	<u>(343,240)</u>
Net change in fund balance	\$ 551,597	\$ 541,597	\$ 342,209	\$ (199,388)
Fund balance, July 1, 2015	<u> </u>	<u> </u>	<u>(409,564)</u>	<u>(409,564)</u>
Fund balance, June 30, 2016	<u>\$ 551,597</u>	<u>\$ 541,597</u>	<u>\$ (67,355)</u>	<u>\$ (608,952)</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 537,937	
Revenue accruals (net)			(53,701)	
Expenditure accruals (net)			(42,075)	
Other financing uses (net)			<u>(99,952)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 342,209</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 72,702	\$ 72,702	\$ 323,249	\$ 250,547
Expenditures:				
Capital outlay	<u>352,203</u>	<u>352,203</u>	<u>198,582</u>	<u>153,621</u>
Revenues over (under) expenditures	\$ (279,501)	\$ (279,501)	\$ 124,667	\$ 404,168
Other financing sources (uses):				
Transfer in	<u>254,488</u>	<u>254,488</u>	<u>5,000</u>	<u>(249,488)</u>
Net change in fund balance	\$ (25,013)	\$ (25,013)	\$ 129,667	\$ 154,680
Fund balance, July 1, 2015	<u>25,013</u>	<u>25,013</u>	<u>25,013</u>	<u>-</u>
Fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,680</u>	<u>\$ 154,680</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 4,667	
Revenue accruals (net)			125,000	
Expenditure accruals (net)				
Other financing uses (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 129,667</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, 2016

	<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, 2015			<u>53,686</u>	<u>53,686</u>
Fund balance, June 30, 2016	<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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources			\$ -	\$ -
Miscellaneous				-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Current:				
General government			\$ -	\$ -
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfer in				<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2015			<u>2,777</u>	<u>2,777</u>
Fund balance, June 30, 2016	<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)			<u>-</u>	
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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	<u>5,872,121</u>	<u>5,872,121</u>	<u>2,564,020</u>	<u>3,308,101</u>
Revenues over (under) expenditures	\$ (5,872,121)	\$ (5,872,121)	\$ (2,564,020)	\$ 3,308,101
Other financing sources (uses):				
Bond proceeds				<u>-</u>
Net change in fund balance	\$ (5,872,121)	\$ (5,872,121)	\$ (2,564,020)	\$ 3,308,101
Fund balance, July 1, 2015	<u>5,872,121</u>	<u>5,872,121</u>	<u>5,872,121</u>	<u>-</u>
Fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,308,101</u>	<u>\$ 3,308,101</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (2,807,760)	
Revenue accruals (net)			243,740	
Expenditure accruals (net)				
Other financing uses (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (2,564,020)</u>	

The accompanying notes are an integral part of these financial statements

Grant County
CAPITAL PROJECT FUND - LOMA VERDE CAPITAL PROJECT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Miscellaneous	\$ -	\$ 207,631	\$ 107	\$ (207,524)
Expenditures:				
Capital outlay		<u>207,631</u>	<u>66,335</u>	<u>141,296</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ (66,228)	\$ (66,228)
Other financing sources (uses):				
Loan proceeds				\$ -
Transfer in/(out)			<u>115,512</u>	<u>115,512</u>
Net change in fund balance	\$ -	\$ -	\$ 49,284	\$ 49,284
Fund balance, July 1, 2015				<u>-</u>
Fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,284</u>	<u>\$ 49,284</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 49,284	
Revenue accruals (net)				
Expenditure accruals (net)				
Other financing uses (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 49,284</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Operating revenue	\$ 73,138,332	\$ 73,138,332	\$ 70,209,797	\$ (2,928,535)
Operating expenses:				
Salaries, wages, and benefits	\$ 37,451,846	\$ 37,451,846	\$ 38,329,856	\$ (878,010)
Supplies and other	22,764,771	22,764,771	24,555,466	(1,790,695)
Purchased services	13,438,922	13,438,922	13,080,942	357,980
Depreciation				-
Rentals and leases				-
Total operating expenses	<u>\$ 73,655,539</u>	<u>\$ 73,655,539</u>	<u>\$ 75,966,264</u>	<u>\$ (2,310,725)</u>
Operating income (loss)	\$ (517,207)	\$ (517,207)	\$ (5,756,467)	\$ (5,239,260)
Nonoperating revenue, net	<u>705,324</u>	<u>705,324</u>	<u>1,447,096</u>	<u>741,772</u>
Change in net position	<u>\$ 188,117</u>	<u>\$ 188,117</u>	<u>\$ (4,309,371)</u>	<u>\$ (4,497,488)</u>
Net position, beginning of year			<u>64,717,376</u>	
Net position, end of year			<u>\$ 60,408,005</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*

	2016	2015
Grant County's proportion of the net pension liability	.5906%	.6172%
Grant County's proportionate share of the net pension liability	\$ 6,021,679	\$ 4,814,822
Grant County's covered employee payroll	\$ 4,868,247	\$ 4,885,440
Grant County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	124%	99%
Plan fiduciary net position as a percentage of the total pension liability	77%	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*

	2016	2015
Grant County's proportion of the net pension liability	.8367%	.8419%
Grant County's proportionate share of the net pension liability	\$ 4,023,323	\$ 2,744,502
Grant County's covered employee payroll	\$ 1,769,519	\$ 1,662,941
Grant County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	227%	165%
Plan fiduciary net position as a percentage of the total pension liability	77%	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**

	2016	2015
Contractually required contributions	\$ 452,790	\$ 466,687
Contributions in relation to contractually required contribution	(452,790)	(466,687)
Contribution deficiency (excess)	\$ -	\$ -
Grant County's covered-employee payroll	\$ 4,868,247	\$ 4,885,490
Contributions as a percentage of covered-employee payroll	9.30%	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**

	2016	2015
Contractually required contributions	\$ 334,439	\$ 311,126
Contributions in relation to contractually required contribution	(334,439)	(311,126)
Contribution deficiency (excess)	\$ -	\$ -
Grant County's covered-employee payroll	\$ 1,769,519	\$ 1,662,941
Contributions as a percentage of covered-employee payroll	18.90%	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, 2016

Change in benefit terms – The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY15 audit available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366 Public Employees Retirement Association 2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366%20Public%20Employees%20Retirement%20Association%202015.pdf).

Changes of assumptions – The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2015 report is available at:

http://www.pera.state.nm.us/pdf/Investment/RetirementFundValuationReports/6-30-2015%20PERA%20Valuation%20Report_FINAL.pdf.

The Summary of Key Findings for the PERA Fund (on page 2 of the report) states “The return on the actuarial value of assets was 7.64% compared to the expected return of 7.75%. The total increase to the unfunded actuarial accrued liability is \$410 million and results in a decrease of the funded ratio from 75.8% to 74.9%.” For details about the actuarial assumptions, see Appendix B on page 53 of the report.

Grant County
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Property Tax Fund				
Assets				
Cash and investments	\$ 162,460	\$ 11,438,226	\$ 11,417,756	\$ 182,930
Taxes receivable	<u>726,823</u>	<u>7,070,210</u>	<u>7,082,230</u>	<u>714,803</u>
Total assets	<u>\$ 889,283</u>	<u>\$ 18,508,436</u>	<u>\$ 18,499,986</u>	<u>\$ 897,733</u>
Liabilities				
Due to others	<u>\$ 889,283</u>	<u>\$ 18,508,436</u>	<u>\$ 18,499,986</u>	<u>\$ 897,733</u>

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

Grant County
SCHEDULE OF DEPOSITORY COLLATERAL
June 30, 2016

	<u>Wells Fargo</u>	<u>Wells Fargo Brokerage</u>	<u>Total</u>
Checking and CD's	\$ 8,513,043	\$ 6,286,327	\$ 14,799,370
Total on deposit	<u>\$ 8,513,043</u>	<u>\$ 6,286,327</u>	<u>\$ 14,799,370</u>
Less: FDIC insurance	\$ (250,000)	\$ (4,837,919)	\$ (5,087,919)
Government securities		<u>(1,448,408)</u>	<u>(1,448,408)</u>
Total insurance	<u>\$ (250,000)</u>	<u>\$ (6,286,327)</u>	<u>\$ (6,536,327)</u>
Total uninsured public funds	<u>\$ 8,263,043</u>	<u>\$ -</u>	<u>\$ 8,263,043</u>
 50% collateralization requirement (Section 6-10-17 NMSA)	 <u>\$ 4,131,522</u>	 <u>\$ -</u>	 <u>\$ 4,131,522</u>
 Pledged Securities:			
FMAC FGPC, Cusip No. 3128MMTS2, maturing 7/1/2030	\$ 2,805,592	\$ -	\$ 2,805,592
FNMA FNMS, Cusip No. 3138AVTE5, maturing 11/1/2026	984,194		984,194
FNMA FNMS, Cusip No. 3138WPEN0, maturing 4/1/2043	5,026,667		5,026,667
FNMS FNMS, Cusip No. 31418AAM0, maturing 10/1/2026	123,379		123,379
FNMA FNMS, Cusip No., 31418AJN9, maturing 9/1/2022	<u>83,760</u>		<u>83,760</u>
Total pledged securities	<u>\$ 9,023,592</u>	<u>\$ -</u>	<u>\$ 9,023,592</u>
Pledged securities over (under) requirement	<u>\$ 4,892,071</u>	<u>\$ -</u>	<u>\$ 4,892,071</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, 2016

	Type of Account	Bank Balance	Reconciled Balance
<u>Wells Fargo</u>			
Grant County Treasurer	Checking	\$ 4,142,148	\$ 3,671,264
Construction	Checking	3,330,268	3,330,268
Dos Griegos	Savings	11,111	11,111
IRS Tax Bank	Checking	64,039	1
North Hurley Water	Checking	-	-
SWNM Task Force	Checking	-	-
Detention Center Issuance Cost	Checking	965,477	965,477
Total Wells Fargo		<u>\$ 8,513,043</u>	<u>\$ 7,978,121</u>
<u>Moreton Capital Markets</u>			
General	Govt Money Mkt	\$ 45,049	\$ 45,049
General	Municipal Bonds	966,154	966,154
General	FHLB	450,792	450,792
General	CD's	4,837,919	4,837,919
Total Moreton Capital Markets		<u>\$ 6,299,914</u>	<u>\$ 6,299,914</u>
<u>NM Local Government Investment Pool</u>			
General		\$ 81,000	\$ 81,000
Fire		18,737	18,737
Total LGIP		<u>\$ 99,737</u>	<u>\$ 99,737</u>
<u>NMFA</u>			
Cash on deposit with paying agent	NMFA	<u>\$ 8,577,054</u>	<u>\$ 8,577,054</u>
Cash on hand			<u>\$ 1,000</u>
Total cash and investments		<u>\$ 23,489,748</u>	<u>\$ 22,955,826</u>

Grant County
SCHEDULE OF JOINT POWERS AGREEMENT
For the Fiscal Year ended June 30, 2016

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, 2016

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, 2016

	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, 2016	\$ 297,000	\$ 222,750	\$ 15,732	7,841
Encumbrances	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total committed	<u>\$ 297,000</u>	<u>\$ 222,750</u>	<u>\$ 15,732</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, 2016

Property taxes receivable, July 1, 2015	\$ 1,652,248
Net taxes charged to the Treasurer for 2016	15,546,355
Collections/Distributions/Changes	<u>(15,563,852)</u>
Property taxes receivable, June 30, 2016	<u><u>\$ 1,634,751</u></u>

Grant County
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2016

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Direct:				
Edward Byrne Justice Assistance Grant	16.738	N/A	\$ -	\$ 105,839
Passed through N.M. Dept. of Children, Youth & Families:				
Juvenile Justice and Delinquency Prevention	16.540	633J10	<u> </u>	<u>66,149</u>
Total U.S. Department of Justice			<u>\$ -</u>	<u>\$ 171,988</u>
<u>U.S. DEPARTMENT OF THE INTERIOR</u>				
Direct:				
Distribution of receipts	15.227	N/A	\$ -	\$ 23,417
National Fire Plan - Rural Fire Assistance	15.242	N/A	<u> </u>	<u>21,866</u>
Total U.S. Department of the Interior			<u>\$ -</u>	<u>\$ 45,283</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Direct:				
Homeland Security Grant Program	97.067	N/A	\$ -	\$ 349,321
Passed through NM Dept of Emergency Management:				
Cyber Tipline	97.076	571VI	<u> </u>	<u>607</u>
Emergency Management Performance Grants	97.042	571V	<u> </u>	<u>9,265</u>
Total U.S. Department of Homeland Security			<u>\$ -</u>	<u>\$ 359,193</u>
<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	<u>\$ -</u>	<u>\$ 177,618</u>

Grant County
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(concluded)
For The Fiscal Year Ended June 30, 2016

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through To Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Direct:				
Airport Improvement Grants	20.106	N/A	\$ -	\$ 139,420
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		28,288
Public Transportation Formula Grants	20.509	N/A		<u>562,704</u>
Total Department of Transportation			<u>\$ -</u>	<u>\$ 735,412</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
Direct:				
WIA Youth Activities	17.259	464	<u>\$ -</u>	<u>\$ -</u>
Total Department of Labor			<u>\$ -</u>	<u>\$ -</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Direct:				
Schools and Roads - Grants to States	10.665	N/A	\$ -	\$ 383,836
Water and Waste Disposal Systems for Rural Communities	10.760	N/A		198,582
Passed Through N.M. Dept. of Energy and Minerals:				
Cooperative Forest Assistance Grants	10.664	2010	<u>-</u>	<u>-</u>
Total Department of Agriculture			<u>\$ -</u>	<u>\$ 582,418</u>
Total expenditures of federal awards			<u><u>\$ -</u></u>	<u><u>\$2,071,912</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, 2016

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Grant County, under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Grant County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Grant County.

Note 2 Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

Note 3 Grant County has elected not to use the de Minimis indirect cost rate allowed under the Uniform Guidance.

Grant County
 Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT)
 For the Year Ended June 30, 2016
 Prepared by Agency Staff Name: Jacob Zamora Title: Procurement Officer Date: 10/7/2016

<i>Agency Number</i>	<i>Agency Name</i>	<i>Agency Type</i>	<i>RFP#/RFPA (if applicable)</i>	<i>Type of Procurement</i>	<i>Vendor Name</i>	<i>Did Vendor Win Contract?</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Physical address of vendor (City, State)</i>	<i>Did the Vendor provide documentation of eligibility for in-state preference?</i>	<i>Did the Vendor provide documentation of eligibility for veterans' preference?</i>	<i>Brief Description of the Scope of Work</i>	<i>If the procurement is attributable to a Component Unit, Name of Component Unit</i>
5009	Grant County	Counties	B-15-01	Competitive (RFP or RFB)	Stoven Construction	Winner	\$2,222,569.00	\$2,398,448.55	Albuquerque, NM	No	No	Conference Center Interior Remod	
5009	Grant County	Counties	B-15-01	Competitive (RFP or RFB)	White Sands Construction	Loser	\$0.00	\$0.00	Alamogordo, NM	Yes	No	Conference Center Interior Remod	
5009	Grant County	Counties	B-15-01	Competitive (RFP or RFB)	Tatsch Construction Inc	Loser	\$0.00	\$0.00	Silver City, NM	No	No	Conference Center Interior Remod	
5009	Grant County	Counties	B-15-01	Competitive (RFP or RFB)	Weil Construction	Loser	\$0.00	\$0.00	Albuquerque, NM	No	No	Conference Center Interior Remod	
5009	Grant County	Counties	B-15-02	Competitive (RFP or RFB)	Arrow Manufacturing, Inc	Winner	\$94,000.00	\$94,000.00	Rock Rapids, IA	No	No	Ambulance	
5009	Grant County	Counties	B-15-02	Competitive (RFP or RFB)	The Phoenix Group	Loser	\$0.00	\$0.00	Waxahachie, TX	No	No	Ambulance	
5009	Grant County	Counties	B-15-04	Competitive (RFP or RFB)	Lynco Electrical	Winner	\$118,977.00	\$128,495.16	Las Cruces, NM	Yes	No	Court House Electrical Upgrade	
5009	Grant County	Counties	B-15-04	Competitive (RFP or RFB)	Beehive Electrical	Loser	\$0.00	\$0.00	Las Cruces, NM	Yes	No	Court House Electrical Upgrade	
5009	Grant County	Counties	B-15-04	Competitive (RFP or RFB)	TFC Construction	Loser	\$0.00	\$0.00	La Joya, NM	No	No	Court House Electrical Upgrade	
5009	Grant County	Counties	B-15-08	Competitive (RFP or RFB)	J & S Plumbing & Heating	Winner	\$84,522.00	\$90,945.77	Silver City, NM			Rosedale Road Waterline	
5009	Grant County	Counties	B-15-08	Competitive (RFP or RFB)	Morrow Enterprises, Inc	Loser	\$0.00	\$0.00	Las Cruces, NM			Rosedale Road Waterline	
5009	Grant County	Counties	B-15-08	Competitive (RFP or RFB)	DuCross Construction, LLC	Loser	\$0.00	\$0.00	Las Cruces, NM			Rosedale Road Waterline	
5009	Grant County	Counties	B-15-08	Competitive (RFP or RFB)	Burn Construction Company, Inc.	Loser	\$0.00	\$0.00	Las Cruces, NM			Rosedale Road Waterline	
5009	Grant County	Counties	B-15-08	Competitive (RFP or RFB)	SmithCo Construction	Loser	\$0.00	\$0.00	Caballo, NM			Rosedale Road Waterline	
5009	Grant County	Counties	B-15-09	Competitive (RFP or RFB)	Master/Craft Metals	Winner	\$131,760.00	\$131,674.14	Silver City, NM	No	No	Metal Roof Road Department	
5009	Grant County	Counties	B-15-09	Competitive (RFP or RFB)	Sacaton Construction	Loser	\$0.00	\$0.00	Silver City, NM	No	No	Metal Roof Road Department	
5009	Grant County	Counties	B-15-12	Competitive (RFP or RFB)	Sierra Machinery Inc.	Winner	\$222,265.00	\$0.00	El Paso, TX	No	No	Chip Spreader	
5009	Grant County	Counties	B-15-13	Competitive (RFP or RFB)	Southwest Concrete & Paving	Winner	\$452,975.36	\$452,975.36	Silver City, NM			Rosedale Road Improvements	
5009	Grant County	Counties	B-15-13	Competitive (RFP or RFB)	Highland Enterprises, Inc.	Loser	\$0.00	\$0.00	Las Cruces, NM			Rosedale Road Improvements	
5009	Grant County	Counties	B-15-14	Competitive (RFP or RFB)	Sacaton Construction	Winner	\$95,455.00	\$95,455.00	Silver City, NM	No	No	Forgotten Veterans Warehouse	
5009	Grant County	Counties	B-15-14	Competitive (RFP or RFB)	Mira Loma	Loser	\$0.00	\$0.00	Silver City, NM	Yes	No	Forgotten Veterans Warehouse	
5009	Grant County	Counties	B-15-14	Competitive (RFP or RFB)	Holray Construction	Loser	\$0.00	\$0.00	Silver City, NM	No	No	Forgotten Veterans Warehouse	
5009	Grant County	Counties	B-15-14	Competitive (RFP or RFB)	Western Builders LLC	Loser	\$0.00	\$0.00	Las Cruces, NM	Yes	No	Forgotten Veterans Warehouse	

Grant County
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2016

Findings – Financial Statement Audit	<u>Current Status</u>
2007-003 Property tax schedule not presented in the State Auditor required format	Repeated
2007-004(07-4) Purchase procedures not followed	Resolved
 FINDINGS RELATED TO THE COMPONENT UNIT	
2015-001 Significant adjustments to general ledger balances required	Repeated
2015-002 Bad debts methodology not updated	Resolved
2014-003 Per Diem reimbursements	Repeated
 Findings and Questioned Costs – Major Federal Award programs	
None	

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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 of Grant County as of and for the year ended June 30, 2016, 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 28, 2016.

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.

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. 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.

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. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2016-001 related to the component unit that we consider to be a material weakness.

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 item 2007-003; and for the component unit as items 2016-002 through 2016-004.

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 28, 2016

Stone, McGee & Co.
Certified Public Accountants

MIKE STONE, C.P.A.
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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2016.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Stone, McGee & Co CPAs

Silver City, New Mexico
October 28, 2016

Stone, McGee & Co.
Certified Public Accountants

Grant County
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Grant County were prepared in accordance with generally accepted accounting principles.
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 in internal control over 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 the Uniform Guidance*.
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 2 CFR section 200.156(a) were noted during the audit.
7. The programs tested as major programs included: Water and Wastewater Disposal Systems for Rural Communities, CFDA No. 10.760, and Schools and Roads-Grants to States, CFDA No. 10.665.
8. The threshold for distinguishing types A and B programs was \$750,000.
9. Grant County was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

2007-003 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 2016 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 2016. 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 2016, 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.

2016-001 Safety Net Care Pool Audit Adjustments (Material Weakness in Internal Control)
(Finding Related to the Component Unit)

Condition – Material audit adjustments were required to record the 2014 SNCP program settlement and estimated 2015 SNCP program settlement. Restatement of the prior year's financial statements was required to report the estimated settlement in the prior year.

Criteria – Timely and accurate information should be available to management and those charged with governance to make decisions.

Effect – There were material errors in the financial statements that were corrected through auditor proposed adjustments.

Cause – The SNCP program settlement estimate was not prepared during fiscal year 2016. The Medical Center has prepared a SNCP program settlement estimate during fiscal year 2015, but due to incorrect and/or confusing external guidance did not prepare the 2016 estimate.

Recommendation – The Medical Center should develop a methodology to estimate and record SNCP program settlements.

Agency Response – This is an audit adjustment requested by the Medical Center's management. The SNCP program is a Medicaid waiver demonstration project designed to alleviate the financial hardship experienced by the New Mexico Sole Community Provider (SCP) Hospitals when the SCP funding was discontinued. The SNCP program is based upon a calendar year and the Uncompensated Care Application which is the basis of the funding allocation is done using data that is two years prior to the actual payment period. The funding for calendar year 2015, the first year of the program, is based upon hospital care provided to Medicaid and uninsured patients in calendar year 2013. Thus when the application for calendar year 2016 was submitted, it contained data from calendar year 2014. There was an adjustment in the Medical Center's 2015 funding which reduced the payment and an estimate was prepared and reserved which the prior auditors' opinion held to be inappropriate, and was backed out of fiscal year 2015. It is the position of the Medical Center's management that this reserve was appropriate and we requested the restatement of

the prior year. In the current year, there is a payable for the reconciliation of calendar year 2016 funding, which was not reserved for in compliance with the prior year's audit opinion, although it is our position that this, too, should be reserved. The reconciliation for calendar year 2017 will be performed by the Human Services Department, with the Director as the responsible party, in January 2017 and the Medical Center will reserve an amount equal to the liability created by that reconciliation.

2016-002 Schedule of Vendor Information (Compliance Finding) (Finding Related to the Component Unit)

Condition – The Medical Center's Schedule of Vendor Information was not completed with all applicable information required by 2.2.210(A)(2)(g) NMAC.

Criteria – Section 2.2.2.10(A)(2)(g) NMAC.

Effect – The Medical Center is not in compliance with Section 2.2.2.10(A)(2)(g) NMAC.

Cause – The Medical Center did not have the resources available to compile all applicable information in a timely manner.

Recommendation – The Medical Center should track all applicable vendor information required by Section 2.2.2.10(A)(2)(g) NMAC on an ongoing basis.

Agency Response – The Medical Center has only recently become aware of the extended requirements of compliance with this statute and now has a team developing an ongoing process for tracking contracts and the relevant data required to be in compliance going forward. The Chief Financial Officer will be responsible for this tracking.

2016-003 Employee Meal Reimbursements (Other Noncompliance) (Finding Related to the Component Unit)

Condition – Of the 15 travel reimbursements tested, five had food reimbursements overages totaling \$1,186. The total reimbursements should have been \$930, but was \$2,116.

Criteria – Per 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 out-of-state travel.

Effect – The Medical Center is not in compliance with the Mileage and Per Diem Act.

Cause – The Medical Center should improve controls surrounding reimbursements to ensure compliance with laws and regulations.

Recommendation – The Medical Center should improve controls surrounding reimbursement to ensure compliance with laws and regulations.

Agency Response – The Medical Center's Travel Policy was reviewed and revised following the finding in the prior year's audit. This was a lengthy process which required legal review to ensure full compliance with the New Mexico Travel and Per Diem Act and was instituted during the year. Due to the time necessary to revise the policy, the previous policy was in effect for some time during the year and reimbursement was made for travel according to the old policy. The revised policy was in effect at year end and the Medical Center will continue to be in compliance going forward. The Chief Financial Officer oversees the application of the revised policy.

2016-004 Actual Expenditures Exceeded Budgeted Expenditures (Other Noncompliance) (Finding Related to the Component Unit)

Condition – The Medical Center’s actual expenditures for the fiscal year 2016 exceeded budgeted expenditures by \$2,310,725.

Criteria – In order to comply with Section 2.2.2.10 O(1) NMAC, actual expenditures cannot exceed budgeted expenditures, which were \$73,655,539 for fiscal year 2016.

Effect – The Medical Center is not in compliance with Section 2.2.2.10 O(1) NMAC.

Cause – The Medical Center did not amend its original budget to reflect additional expenses incurred.

Recommendation – The Medical Center should monitor expenditures throughout the fiscal year to ensure actual expenses do not exceed budgeted expenses. If necessary, an amended budget should be submitted to the Local Government Division for approval.

Agency Response – The Medical Center submits a quarterly report to the Department of Finance and Administration as required which has been approved and has never been requested to submit and amend budget. We will institute communication with them and submit an amended budget as necessary. The Chief Financial Officer will oversee this budgetary monitoring.

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 20, 2016. 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