

**State of New Mexico  
Harding County**



**Basic Financial Statements and  
Supplementary Information**

**for the Year Ended June 30, 2015  
Independent Auditor's Report**



STATE OF NEW MEXICO  
HARDING COUNTY

TABLE OF CONTENTS

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	<b>Page</b>
DIRECTORY OF OFFICIALS	1
INDEPENDENT AUDITOR'S REPORT	2
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements: Major Government Funds:	
Balance Sheet - Governmental Funds	7
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
General Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual on Budgetary Basis	13
Special Revenue Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual on Budgetary Basis - Road Fund	14
Agency Funds:	
Statement of Fiduciary Assets and Liabilities	15
NOTES TO THE FINANCIAL STATEMENTS	16
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Harding County's Proportionate Share of the Net Pension Liability of PERA Fund Municipal General Division and Municipal Police Division	40
Schedule of Harding County's Contributions PERA Fund Municipal General Division and Municipal Police Division	41

STATE OF NEW MEXICO  
HARDING COUNTY

TABLE OF CONTENTS

SUPPLEMENTARY INFORMATION

Nonmajor Special Revenue Funds:	
Special Revenue Funds Description	43
Combining Balance Sheet	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	50
Special Revenue Funds:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual on Budgetary Basis	
Farm & Range Fund	54
Indigent Fund	55
Emergency Management Fund	56
EMS No. 1 Fund	57
EMS No. 2 Fund	58
Recording and Equipment Fund	59
Reappraisal Fund	60
EMT Fund	61
Jail Detention Fund	62
DWI Program and Grant Fund	63
DWI Users Fund	64
Law Enforcement Protection Fund	65
Rural Addressing Fund	66
Senior Program Fund	67
Fire District No. 1 General Fund	68
Fire District No. 1 Fund	69
Fire District No. 2 Fund	70
Rosebud General Fund	71
County Health Program Fund	72
Assisted Living Project Fund	73
Affordable Housing Plan Project Fund	74
Fire District No. 1 Equipment Grant Fund	75
Community Development Fund	76
Solid Waste Fund	77
Safety Net Care Pool Fund	78
Information Technology Fund	79
Scenic Byways Fund	80
Fire No. 1 Wildland Fire Fund	81
Rosebud Wildland Fire Fund	82
Capital Projects Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual on Budgetary Basis	
Building Restoration ADA Fund	83
Capital Improvements Fund	84
Land Acquisition Fund	85

STATE OF NEW MEXICO  
HARDING COUNTY

TABLE OF CONTENTS

Major Debt Service Fund	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual on Budgetary Basis - Debt Service Fund	86
Agency Funds:	
Agency Funds Description	87
Schedule of Changes in Assets and Liabilities - All Agency Funds	88
OTHER SUPPLEMENTAL INFORMATION:	
Schedule of Pledged Collateral to Secure the Deposit of Public Funds	89
Cash Reconciliation	90
Tax Roll Reconciliation – Changes in the County Treasurer’s Property Tax Receivable	91
OTHER INFORMATION:	
Senior Program Final Units of Service	92
Schedule of Vendor Information	93
COMPLIANCE SECTION:	
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	94
Schedule of Findings and Responses	96
Summary Schedule of Prior Audit Findings	118
Financial Statement Preparation	118
Other Disclosures and Exit Conference	118

STATE OF NEW MEXICO  
HARDING COUNTY

DIRECTORY OF OFFICIALS  
June 30, 2015

**County Commissioners**

Rebecca K. Smith  
Harold R. Mackey  
Robert E. Aragon

Chairman  
Vice-Chairman  
Member

**Elected Officials**

Barbara L. Shaw  
Felicia A. Esquibel  
Pete Callahan  
Raymond Gutierrez  
Stella Devers

County Clerk  
Treasurer  
Assessor  
Sheriff  
Probate Judge

**Other Officials**

Evangeline Garrison  
Christine Trujillo  
Debra Garcia  
Carla J. Garrison

Finance Director  
Chief Deputy Treasurer  
Chief Deputy Assessor  
Chief Deputy Clerk

# R. Kelly McFarland

Certified Public Accountant  
A Professional Corporation



America Counts on CPAs®



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## INDEPENDENT AUDITOR'S REPORT

Tim Keller, State Auditor and the  
Board of Commissioners Harding County  
Mosquero, New Mexico

### Report on Financial Statements

I was engaged to audit the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Harding County (County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Harding County's basic financial statements as listed in the table of contents. I was also engaged to audit the financial statements of each of the County's nonmajor governmental, fiduciary funds and the budgetary comparisons for the major capital project funds, debt service fund and all nonmajor funds presented as supplementary information as defined by the Governmental Accounting Standards Board in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on conducting my 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. Because of the matters described in the Basis of Disclaimer of Opinion paragraph, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### Basis for Disclaimer of Opinion

Because of the inadequacy of capital asset records, I was unable to obtain sufficient appropriate audit evidence regarding the amounts at which property and equipment, depreciation expense and accumulated depreciation are recorded in the accompanying Government Activities financial statements. I was also unable to examine sufficient appropriate audit evidence, due to pervasive inadequacies in the accounting records regarding assets, liabilities revenues, expenditures, budgetary comparisons and disclosures presented in the financial statements, or by other auditing procedures.

## **Disclaimer of Opinion**

Because of the significance of the matters described in Basis for Disclaimer of Opinion paragraph above, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of Harding County as a whole. Accordingly, I do not express an opinion on the financial statements referred to above or the remaining aggregate information, including the respective budgetary comparisons for the general fund and major special revenue funds. I also do not express an opinion on the County's nonmajor governmental funds and the respective budgetary comparisons for the major capital projects fund, debt service fund and all nonmajor funds, presented as supplementary information for the year ended June 30, 2015, as listed in the table of contents.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that schedules of the Net Pension Liability and Contribution for the Public Employee Retirement Plan on pages 40-43 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquires, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance and because of the significance of the matters discussed in the Basis for Disclaimer above, it is inappropriate to and I do not express an opinion on it.

Management has not presented the Management's Discussion and Analysis for the year ended June 30, 2015, that accounting principles generally accepted in the United States of America requires 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. My disclaimer of opinion on the financial statements as discussed above is not affected by the missing report.

### *Other Information*

I was engaged for the purpose of forming opinions on the Harding County financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The additional schedules, required by Section 2.2.2 NMAC, listed as "other supplemental" information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such additional schedules required by Section 2.2.2 NMAC 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. Because of the significance of the matters discussed in the Basis for Disclaimer paragraph above, it is inappropriate to and I do not express an opinion on the fair presentation of the schedules required by Section 2.2.2 NMAC, in relation to the basic financial statements as a whole.

The accompanying *Schedule of Vendor Information* and *Senior Program Final Units of Service Schedule* have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, I do not express an opinion or provide any assurance on these schedules.



**Other Reporting Required By Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated January 7, 2016, on my consideration of the Harding County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Harding County's reporting and compliance.

A handwritten signature in black ink that reads "R Kelly M Farland". The signature is written in a cursive style with a large initial "R" and a distinct "M".

January 7, 2016

**STATE OF NEW MEXICO  
HARDING COUNTY**

**STATEMENT OF NET POSITION  
June 30, 2015**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 5,554,674
Taxes receivable	14,914
Due from other governments	<u>113,732</u>
Total current assets	<u>5,683,320</u>
Non-current Assets:	
Land (non-depreciable)	25,761
Capital assets (depreciable)	8,992,110
Less: accumulated depreciation	<u>(4,734,763)</u>
Total non-current assets	<u>4,283,108</u>
<b>Total Assets</b>	<u>9,966,428</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows - Contributions after measurement date	<u>68,586</u>
Total deferred outflows of resources	<u>68,586</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	82,109
Accrued salary payable	86,420
Compensated absences	27,846
Current portion of long-term obligations	<u>19,578</u>
Total current liabilities	<u>215,953</u>
Long-term Obligations:	
Non-current portion of long-term obligations	143,905
Net pension liability	<u>661,816</u>
Total long-term liabilities	<u>805,721</u>
<b>Total liabilities</b>	<u>1,021,674</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows - Change of assumption	6,567
Deferred Inflows - Investment experience	<u>257,448</u>
Total deferred inflows of resources	<u>264,015</u>
<b>NET POSITION</b>	
Net invested in capital assets	4,119,625
Restricted for:	
Special revenue funds	1,545,201
Capital projects funds	2,472,115
Unrestricted	<u>612,384</u>
<b>Total Net Position</b>	<u>\$ 8,749,325</u>

**STATE OF NEW MEXICO  
HARDING COUNTY**

**STATEMENT OF ACTIVITIES  
June 30, 2015**

<b>Functions/Programs</b>	Expenses	<b>Program Revenues</b>		Net (Expenses) Revenue and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,477,187	\$ 0	\$ 882,000	\$ 0
Highways and streets	554,640	0	0	0
Health and welfare	124,113	52	127,959	117,000
Culture and recreation	110,359	0	0	0
Public safety	220,003	11,402	269,766	0
Depreciation and amortization - unallocated	0	0	0	0
Interest on long-term obligations	<u>2,699</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Governmental Activities	<u>\$ 2,489,001</u>	<u>\$ 11,454</u>	<u>\$ 1,279,725</u>	<u>\$ 117,000</u>
<b>General Revenues:</b>				
Property taxes				705,674
Gross receipts taxes				249,451
Oil and Gas taxes				384,620
Motor vehicle taxes				199,652
Gasoline taxes				98,409
Environmental gross receipts taxes				49,208
Unrestricted investment earnings				28,870
Other income				<u>938,856</u>
Total General Revenues				<u>2,654,740</u>
Change in net position				1,573,918
Net position - beginning of year				8,071,738
Restatement (See Note 11)				<u>(896,331)</u>
Net position - beginning of year as restated				<u>7,175,407</u>
Net position - end of year				<u>\$ 8,749,325</u>

STATE OF NEW MEXICO  
HARDING COUNTY

BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2015

	General Fund 401	Road Fund 402	Capital Projects Building Restoration ADA Fund 715	Capital Projects Capital Improvement Fund 706
<b>ASSETS</b>				
Cash	\$ 1,549,761	\$ 372,695	\$ 704,869	\$ 721,287
Taxes receivable	14,914	0	0	0
Due from other governments	50,258	45,802	0	0
Due from other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>208,640</u>
<b>Total Assets</b>	<b><u>\$ 1,614,933</u></b>	<b><u>\$ 418,497</u></b>	<b><u>\$ 704,869</u></b>	<b><u>\$ 929,927</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 62,522	\$ 723	\$ 0	\$ 0
Due to other funds	0	208,640	0	0
Accrued expenses	<u>54,936</u>	<u>22,825</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities</b>	<b><u>117,458</u></b>	<b><u>232,188</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
Deferred Inflows of Resources				
Unavailable revenue-property taxes	<u>14,914</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>14,914</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
Fund Balances:				
Restricted, reported in:				
Special Revenue Funds	0	186,309	0	0
Capital Projects Funds	0	0	704,869	929,927
Debt Service Fund	0	0	0	0
Unassigned, reported in:				
General Fund	<u>1,482,561</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Balances</b>	<b><u>1,482,561</u></b>	<b><u>186,309</u></b>	<b><u>704,869</u></b>	<b><u>929,927</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 1,614,933</u></b>	<b><u>\$ 418,497</u></b>	<b><u>\$ 704,869</u></b>	<b><u>\$ 929,927</u></b>

**STATE OF NEW MEXICO  
HARDING COUNTY  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2015**

	<b>Capital Projects Land Acquisition Fund 739</b>	<b>Debt Service Fund 900</b>	<b>Other Governmental Funds</b>	<b>Total Government Funds</b>
<b>ASSETS</b>				
Cash	\$ 837,319	\$ 0	\$ 1,368,743	\$ 5,554,674
Taxes receivable	0	0	0	14,914
Due from other governments	0	0	17,672	113,732
Due from other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>208,640</u>
<b>Total Assets</b>	<b><u>\$ 837,319</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 1,386,415</u></b>	<b><u>\$ 5,891,960</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 0	\$ 0	\$ 18,864	\$ 82,109
Due to other funds	0	0	0	208,640
Accrued expenses	<u>0</u>	<u>0</u>	<u>8,659</u>	<u>86,420</u>
<b>Total Liabilities</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>27,523</u></b>	<b><u>377,169</u></b>
Deferred Inflows of Resources				
Unavailable revenue-property taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,914</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>14,914</u></b>
Fund Balances:				
Restricted, reported in:				
Special Revenue Funds	0	0	1,358,892	1,545,201
Capital Projects Funds	837,319	0	0	2,472,115
Debt Service Fund	0	0	0	0
Unassigned, reported in:				
General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,482,561</u>
<b>Total Fund Balances</b>	<b><u>837,319</u></b>	<b><u>0</u></b>	<b><u>1,358,892</u></b>	<b><u>5,499,877</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 837,319</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 1,386,415</u></b>	<b><u>\$ 5,891,960</u></b>

**STATE OF NEW MEXICO  
HARDING COUNTY**

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS  
June 30, 2015**

Fund Balances - total government funds	\$ 5,499,877
Amounts reported for government activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,283,108
Some liabilities including net pension obligations and loans payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Net pension liability	(661,816)
Compensated absences	(27,846)
New Mexico Finance Authority Loans	(163,483)
Deferred outflows and inflows of resources are applicable to future periods and are, therefore, not reported in the funds.	
Deferred outflows of resources related to employer contributions subsequent to the measurement date	68,586
Deferred inflows of resources related to changes in assumptions	(6,567)
Deferred inflows of resources related to differences in projected and actual investment earnings	(257,448)
Deferred inflows from property taxes, not available in the governmental funds but, considered revenue in the Statement of Activities	<u>14,914</u>
Total net position - governmental funds	<u>\$ 8,749,325</u>



**STATE OF NEW MEXICO  
HARDING COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
June 30, 2015**

	General Fund 401	Road Fund 402	Capital Projects Building Restoration ADA Fund 715	Capital Projects Improvement Fund Fund 706
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 676,498	\$ 0	\$ 0	\$ 0
Gross receipts taxes	90,099	53,002	0	0
Motor vehicle taxes	4,161	195,491	0	0
Oil and gas taxes	384,620	0	0	0
Gasoline taxes	2,444	95,965	0	0
Environmental gross receipts taxes	0	0	0	0
Charges for services	5,703	0	0	0
Fines and forfeitures	11,379	0	0	0
Intergovernmental:				
State sources	882,000	0	0	0
Federal sources	109,446	0	0	0
Interest income	27,753	53	0	0
Miscellaneous	<u>62,084</u>	<u>719,463</u>	<u>0</u>	<u>0</u>
 Total Revenues	 <u>2,256,187</u>	 <u>1,063,974</u>	 <u>0</u>	 <u>0</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,346,989	0	0	0
Highways and streets	0	543,099	0	0
Public safety	0	0	0	0
Health and welfare	0	0	0	0
Culture and recreation	0	0	0	0
Capital outlay	12,896	736,644	0	0
Debt services:				
Principal	0	0	0	0
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Expenditures	 <u>1,359,885</u>	 <u>1,279,743</u>	 <u>0</u>	 <u>0</u>
 Excess (deficiency) of revenues over expenditures	 <u>896,302</u>	 <u>(215,769)</u>	 <u>0</u>	 <u>0</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Reversion of grant money	0	0	0	0
Sale of capital assets	0	305,000	0	0
Transfers in	22,822	129,164	0	0
Transfers out	<u>(312,490)</u>	<u>0</u>	<u>0</u>	<u>(180,000)</u>
Total other financing sources (uses)	<u>(289,668)</u>	<u>434,164</u>	<u>0</u>	<u>(180,000)</u>
 Net change in fund balances	 <u>606,634</u>	 <u>218,395</u>	 <u>0</u>	 <u>(180,000)</u>
 Fund balances - beginning of year	 <u>875,927</u>	 <u>(32,086)</u>	 <u>704,869</u>	 <u>1,109,927</u>
 Fund balances - end of year	 <u>\$ 1,482,561</u>	 <u>\$ 186,309</u>	 <u>\$ 704,869</u>	 <u>\$ 929,927</u>



**STATE OF NEW MEXICO  
HARDING COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
June 30, 2015**

	<b>Capital Projects Land Acquisition Fund 739</b>	<b>Debt Service Fund 900</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 0	\$ 0	\$ 14,262	\$ 690,760
Gross receipts taxes	0	0	58,861	201,962
Motor vehicle taxes	0	0	0	199,652
Oil and gas taxes	0	0	0	384,620
Gasoline taxes	0	0	0	98,409
Environmental gross receipts taxes	0	0	49,208	49,208
Charges for services	0	0	56,871	62,574
Fines and forfeitures	0	0	10,752	22,131
Intergovernmental:				
State sources	0	0	464,431	1,346,431
Federal sources	0	0	14,628	124,074
Interest income	0	0	0	27,806
Miscellaneous	<u>0</u>	<u>0</u>	<u>46,432</u>	<u>827,979</u>
 Total Revenues	 <u>0</u>	 <u>0</u>	 <u>715,445</u>	 <u>4,035,606</u>
<b>EXPENDITURES</b>				
Current:				
General government	0	183	122,800	1,469,972
Highways and streets	0	0	0	543,099
Public safety	0	0	255,718	255,718
Health and welfare	0	0	136,239	136,239
Culture and recreation	0	0	112,585	112,585
Capital outlay	40,109	0	21,136	810,785
Debt services:				
Principal	0	19,459	0	19,459
Interest	<u>0</u>	<u>2,517</u>	<u>0</u>	<u>2,517</u>
 Total Expenditures	 <u>40,109</u>	 <u>22,159</u>	 <u>648,478</u>	 <u>3,350,374</u>
 Excess (deficiency) of revenues over expenditures	 <u>(40,109)</u>	 <u>(22,159)</u>	 <u>66,967</u>	 <u>685,232</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Reversion of grant money	0	0	(5,477)	(5,477)
Sale of capital assets	0	0	0	305,000
Transfers in	0	22,159	679,005	853,150
Transfers out	<u>(75,000)</u>	<u>0</u>	<u>(285,660)</u>	<u>(853,150)</u>
Total other financing sources (uses)	<u>(75,000)</u>	<u>22,159</u>	<u>387,868</u>	<u>299,523</u>
 Net change in fund balances	 <u>(115,109)</u>	 <u>0</u>	 <u>454,835</u>	 <u>984,755</u>
 Fund balances - beginning of year	 <u>952,428</u>	 <u>0</u>	 <u>904,057</u>	 <u>4,515,122</u>
 Fund balances - end of year	 <u>\$ 837,319</u>	 <u>\$ 0</u>	 <u>\$ 1,358,892</u>	 <u>\$ 5,499,877</u>

**STATE OF NEW MEXICO  
HARDING COUNTY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN THE FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
June 30, 2015**

Net Change in Fund Balances - total governmental funds	\$	984,755
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation expense exceeds capital outlays in the period.</p>		
Capital Outlay		810,785
The net effect of sale of capital assets is to decrease net assets		(286,796)
<p>Deferred inflows from property taxes, not available in the governmental funds but, considered revenue in the Statement of Activities</p>		
		14,914
<p>Compensated absences payable representing long-term liabilities is not recognized in governmental funds until it becomes a matured current liability and is recorded in the Statement of Activities on the accrual basis.</p>		
		(8,285)
<p>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.</p>		
Pension contributions		68,629
Pension expense		(29,543)
<p>The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Principal payment of bond		<u>19,459</u>
Change in net position of governmental activities	\$	<u>1,573,918</u>

**STATE OF NEW MEXICO  
HARDING COUNTY**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 564,513	\$ 564,513	\$ 676,498	\$ 111,985
Gross receipts taxes	70,000	70,000	86,759	16,759
Motor vehicle taxes	3,500	3,500	4,110	610
Oil and gas taxes	380,162	380,162	371,469	(8,693)
Gasoline taxes	1,000	1,000	2,235	1,235
Charges for services	3,500	3,500	5,703	2,203
Fines and forfeitures	1,000	1,000	11,379	10,379
Intergovernmental:				
State sources	673,000	673,000	882,000	209,000
Federal sources	100,000	100,000	109,446	9,446
Interest income	25,000	25,000	27,753	2,753
Miscellaneous	<u>12,565</u>	<u>12,565</u>	<u>62,084</u>	<u>49,519</u>
 Total Revenues	 <u>1,834,240</u>	 <u>1,834,240</u>	 <u>2,239,436</u>	 <u>405,196</u>
 <b>EXPENDITURES</b>				
Current:				
General government	1,827,282	1,829,131	1,277,100	552,031
Highways and streets	0	0	0	0
Public safety	0	0	0	0
Health and welfare	0	0	0	0
Capital outlay	<u>106,600</u>	<u>107,600</u>	<u>12,896</u>	<u>94,704</u>
 Total Expenditures	 <u>1,933,882</u>	 <u>1,936,731</u>	 <u>1,289,996</u>	 <u>646,735</u>
 Excess (deficiency) of revenues over expenditures	 (99,642)	 (102,491)	 949,440	 1,051,931
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	22,822	22,822
Transfers out	<u>0</u>	<u>0</u>	<u>(312,490)</u>	<u>(312,490)</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(289,668)</u>	<u>(289,668)</u>
 Net change in fund balances	 (99,642)	 (102,491)	 659,772	 762,263
 Fund balances - beginning of year	 <u>875,927</u>	 <u>875,927</u>	 <u>875,927</u>	 <u>0</u>
 Fund balances - end of year	 <u>\$ 776,285</u>	 <u>\$ 773,436</u>	 <u>\$ 1,535,699</u>	 <u>\$ 762,263</u>
 Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 659,772	
Net revenue accruals			16,750	
Net expenditure accruals			<u>(69,888)</u>	
Net changes in fund balance GAAP basis			<u>\$ 606,634</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**SPECIAL REVENUE FUND - ROAD FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes:				
Gross receipts taxes	\$ 60,000	\$ 60,000	\$ 41,316	\$ (18,684)
Motor vehicle taxes	180,000	180,000	193,254	13,254
Gasoline taxes	82,000	82,000	89,110	7,110
Intergovernmental:				
State sources	245,696	245,696	0	(245,696)
Interest income	0	0	53	53
Miscellaneous	<u>750</u>	<u>717,000</u>	<u>719,463</u>	<u>2,463</u>
Total Revenues	<u>568,446</u>	<u>1,284,696</u>	<u>1,043,196</u>	<u>(241,500)</u>
<b>EXPENDITURES</b>				
Current:				
Highway and streets	723,408	1,439,658	529,104	910,554
Capital outlay	<u>0</u>	<u>0</u>	<u>736,644</u>	<u>(736,644)</u>
Total Expenditures	<u>723,408</u>	<u>1,439,658</u>	<u>1,265,748</u>	<u>173,910</u>
Excess (deficiency) of revenues over expenditures	<u>(154,962)</u>	<u>(154,962)</u>	<u>(222,552)</u>	<u>(67,590)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	0	0	305,000	305,000
Transfers in	0	0	129,164	129,164
Transfers out	<u>0</u>	<u>0</u>	<u>(61,065)</u>	<u>(61,065)</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>373,099</u>	<u>373,099</u>
Net change in fund balances	<u>(154,962)</u>	<u>(154,962)</u>	<u>150,547</u>	<u>305,509</u>
Fund balances - beginning of year	<u>(32,086)</u>	<u>(32,086)</u>	<u>(32,086)</u>	<u>0</u>
Fund balances - end of year	<u>\$ (187,048)</u>	<u>\$ (187,048)</u>	<u>\$ 118,461</u>	<u>\$ 305,509</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 150,547	
Net revenue accruals			20,778	
Net expenditure accruals			<u>47,070</u>	
Net changes in fund balance GAAP basis			<u>\$ 218,395</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS  
June 30, 2015**

**ASSETS**

Current Assets:

Cash and temporary investments \$ 1,411,313

Total Assets \$ 1,411,313

**LIABILITIES**

Current Liabilities:

Due to other governments \$ 1,411,313

Total Liabilities \$ 1,411,313

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Harding County was created by Section 4-11-1, New Mexico State Statutes Annotated, 1978 Compilation. The County operates under a three-member Board of Commissioners who are elected to staggering positions that expire each election. At each general election in the State of New Mexico, a County Assessor, County Clerk, County Sheriff and County Treasurer are elected.

The County operates under a statutory county form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, public improvements, planning and zoning, and general administration. The accounting policies of Harding County conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**A. Reporting Entity**

The financial statements of Harding County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Governmental Accounting Standards Board Statement (GASBS) 14, as amended by GASB statements 39 and 61, establish standards for defining and reporting on the financial reporting entity.

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the GASB standards referenced above.

- The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of a governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.
- A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the County and is generally available to citizens.
- A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of fiscal dependence, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

A. **Reporting Entity, continued**

Based on these criteria, the County has no component units. Additionally, the County is not a component unit of any other reporting entity.

B. **Basis of Presentation**

*Government-wide Statements* - The statement of net position and the statement of activities report information about the County. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. The County has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not employ indirect cost allocation. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Operating grant programs include fire protection, Senior Citizens, DWI and health programs. Capital grants include fire equipment and housing programs.

The County's net position is reported in three parts – invested in capital assets, restricted net position and unrestricted net position.

C. **Measurement Focus, Basis of Accounting, and Fund Financial Statements**

*Government-wide and Fiduciary Financial Statements* - The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

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. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Cod. Sec. N50.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

C. **Measurement Focus, Basis of Accounting, and Fund Financial Statements, continued**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Property taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized, net of estimated refunds and estimated uncollectible amounts, as revenue when the underlying exchange takes place and the revenues are measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

*Fund Financial Statements* - The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds and each is presented in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

**Road Fund - Special Revenue Fund** - To account for funds used to maintain roads for which the County has responsibility. Financing is provided by motor vehicle fees flowing through the state. Expenditures are restricted to the construction and maintenance of County roads. Authority is Section 7-24A, NMSA, 1978.

**Building Restoration ADA Fund - Capital Projects Fund** - To account for a permanent cash transfer from the General Fund to bring the County Courthouse into ADA compliance.

**Capital Improvements Fund - Capital Projects Fund** - To account for a permanent cash transfer from the General Fund for various capital improvement purposes.

**Land Acquisition Fund - Capital Projects Fund** - To account for a permanent cash transfer from the General Fund for future projects.

**Debt Service Fund** - This fund accounts for the payments of principal and interest of the County's long-term debt.



STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

C. **Measurement Focus, Basis of Accounting, and Fund Financial Statements, continued**

The County also reports the following fund types:

**Agency Funds** - These funds account for monies held on behalf of the school districts, special districts and municipalities, and the State of New Mexico that use the County as a depository; from property taxes collected on behalf of other governments.

D. **Budgetary Data**

1. *Budget Policy*

The County follows these procedures in establishing the budgetary data reflected in the financial statements. The County Finance Director submits a proposed operating budget for the fiscal year commencing July 1, prior to June 30. The operating budget includes proposed expenditures and the means of financing them. A budget is proposed for the General and Special Revenue Funds.

- a. Public hearings are conducted to obtain taxpayer comments. The budgets are then submitted to the Department of Finance and Administration for review, adjustment and approval.
- b. Prior to June 30, the budget is legally enacted through passage of a resolution. The County Commission is authorized to transfer budgeted amounts between departments within any fund. Department of Finance and Administration, Local Government Division, must approve any revisions that alter the total expenditures of any fund.
- c. Budgets for all funds are adopted on a regulatory prescribed cash basis. The level of budgetary control is by fund total. Budgetary information is presented as amended, the amendments being adopted in a legally prescribed manner.
- d. Expenditures for each budget may not legally exceed the appropriation for fund. Appropriations lapse at year-end with any unspent cash balance being available for expenditures and appropriation in the subsequent year's budget.

2. **Encumbrances**

The County does not utilize encumbrance accounting.

3. Budgets are prepared on the Non-GAAP cash budgetary basis. The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual, present comparisons of the legally adopted budget with actual data on budgetary basis.

The cash basis budgetary basis applied for purposes of preparing the budget differs significantly from accounting principles generally accepted in the United States of America (GAAP) used to prepare the financial statements. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statement presentation are reflected on each individual budgetary statement.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

E. **Property Taxes**

Articles 35 through 38, Chapter 7, New Mexico Statutes annotated, 1978, is the Property Tax Code. The code provides for valuation, administration, and enforcement of property taxes. The Department of Finance and Administration sets tax rates for the governmental units sharing in the tax.

The Constitution of the State of New Mexico provides the following maximum tax rates and restrictions concerning the use of tax proceeds.

Taxes levied upon tangible property shall be in proportion of the value thereof; the taxes shall be equal and uniform upon subjects of taxation of the same class. Different methods may be provided by law to determine value of different kinds of property, but the percentage of value against which tax rates are assessed shall not exceed thirty-three and one-third percent.

Taxes levied upon real or personal property for state revenue shall not exceed four mills annually on each dollar of the assessed valuation thereof except for the support of the educational, penal, and charitable institutions of the state; payment of the state debt and interest thereon; and the total annual tax levy upon such property for all state purposes exclusive of necessary levies for the state debt shall not exceed ten mills; provided, however, that taxes levied upon real or personal tangible property for all purposes, except special levies on specific classes of property and except necessary levies for public debt, shall not exceed twenty mills annually on each dollar of the assessed valuation thereof, but laws may be passed authorizing additional taxes to be levied outside of such limitations when approved by at least a majority of the qualified electors of the taxing district who paid a property tax therein during the preceding year voting on such proposition.

Property taxes are levied on November 1 on the assessed value of property as of the previous January 1. Property taxes may be paid in two installments on November 10th and April 10th, and are delinquent if not paid within thirty days after the date on which they are due.

The County is permitted by the State Property Tax Code to levy taxes up to \$11.85 per \$1,000 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

F. **Assets, Liabilities, and Equity**

1. *Deposits and investments*

Cash includes currency, demand deposits, and certificates of deposits. The County has no business activities and therefore, does not include a Statement of Cash Flows in its financial statements.

.State statutes (Public Monies Act 6-10-1 through 6-10-63 NMSA, 1978) authorize the County to invest in:

- a. Bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- b. Securities that are issued by the United States government or by its agencies or instrumentality and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government. The County may also invest in repurchase agreements and in the State Treasurer's Investment Pool. Sections 6-10-16 and 6-10-17 NMSA, 1978, requires that the deposit of public money be secured by securities of the United States, its agencies or instrumentality or by securities of the State of New Mexico, its agencies or instrumentality, counties, municipalities or other subdivisions or by securities that are guaranteed by the United States or the State of New Mexico equal to one-half of the amount of public money on deposit.

2. *Receivables and payables*

Transactions between funds that are representatives of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". All property tax and intergovernmental receivables are deemed fully collectible and no allowance for uncollectible is recorded.

G. **Compensated Absences**

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and sick leave balance. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Employees earn up to 12 days of annual leave a year and may accumulate up to 240 hours.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**H. Inventory**

Purchases for supplies are recorded as expenditures and are not recorded as assets on the balance sheet.

**I. Capital Assets**

Capital assets, which include: property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental type activities in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. This is an increase from the \$1,000 threshold reported in prior years. This is a change in accounting estimate. All previously reported capital assets that do not meet the updated amount will be depreciated currently and in future periods until they are fully depreciated. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets are included as part of the governmental capital assets reported in the government wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<b>Assets</b>	<b><u>Years</u></b>
Buildings	10-40
Building improvements	5-30
Equipment, furniture and machines	2-30
Infrastructure	10-12

**J. Restricted Assets**

Restricted assets consist of those funds expendable for operating purposes, but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

**K. Deferred Inflows and Outflows of Resources**

Deferred outflows of resources represents consumption of resources that is applicable to future reporting periods.

Deferred inflows of resources represents acquisition of resources applicable to future reporting periods.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

L. **Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Unrestricted net position does not meet the definition of "restricted" and "net investment in capital assets".

M. **Fund Balance**

In the fund financial statements, governmental fund balances are classified as follows:

***Nonspendable*** - fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes amounts to be held in perpetuity. The County had no nonspendable fund balance in the current year.

***Restricted*** - Fund balance is reported when constraints placed on the use of resources are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. Imposed by law through constitutional provisions or enabling legislation.
- c. Enabling legislation, as the term is used in this context, authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that a government can be compelled by an external party-such as citizens, public interest groups, or the judiciary-to use resources created by enabling legislation only for the purposes specified by the legislation.

The County reports its special revenue, capital projects and debt service fund as restricted.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

M. **Fund Balance, continued**

**Committed** – The County Commission is the County’s highest level of decision making authority. Formal action is required by the Commission to establish, modify or rescind a fund balance commitment. The County had no committed fund balances at June 30, 2015.

**Assigned** - Assigned fund balances set aside resources for a particular purpose as determined by the County Commission or a group or individual designated by the Commission. The County had no assigned fund balances at June 30, 2015.

**Unassigned** - fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The County's policy is to apply restricted resources first, committed sources second, assigned resources third, and unassigned resources last when an expense is incurred for purposes for which all or any fund balance classification is available.

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

2. **DEPOSIT AND INVESTMENTS**

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2015, as discussed in Note 1 to the financial statements.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations insured by an agency of the United States. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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

The collateral pledged is listed in the supplemental information of this report. The types of collateral allowed are limited to direct obligations of the United States Government or agency, districts or political subdivisions of the State of New Mexico, certain revenue bonds and letters of credit issued by the Federal Home Loan Bank.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

2. **DEPOSIT AND INVESTMENTS, CONTINUED**

**Deposits**

Time deposits, savings deposits and interest bearing money market accounts in the same institution are insured up to \$250,000 in aggregate by the FDIC.

Total deposits with financial institutions and collateral requirements at June 30, 2015, are summarized as follows:

	Farmers and Stockmen's Bank, Clayton, NM Balance per Bank 6/30/15	Farmers and Stockmen's Bank, Clayton, NM Reconciled Balance 6/30/15	Wells Fargo Securities LLC
Checking Deposits, Interest-bearing	\$ 2,070,333	\$ 1,946,085	\$ 0
Certificate of Deposits, Interest-bearing	2,442,873	2,442,873	1,250,000
Money Market Deposits, Interest-bearing	1,326,454	1,326,454	
	<u>5,839,660</u>	<u>\$ 5,715,412</u>	<u>1,250,000</u>
Less: FDIC Coverage	(250,000)		(1,250,000)
Total uninsured public funds	<u>5,589,660</u>		<u>\$ 0</u>
Federal Home Loan Bank Irrevocable Standby Letters of Credit issued in favor of Harding County	4,250,000		
Pledged Collateral held by pledging bank's agent in the pledging bank's name, but not in Harding County's name	1,536,484		
Uninsured and uncollateralized (Excess Collateral)	<u>\$ (196,824)</u>		
50% Collateral Requirement (as per Section 6-10-17, NMSA, 1978)	\$ 2,794,830		
Total pledged collateral	5,786,484		
Pledged collateral (over) under the requirement	<u>\$ (2,991,654)</u>		

*Custodial Credit Risk - Deposits* - Custodial Credit Risk is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. The County only uses depository institutions that it believes are financially sound. As of June 30, 2015, \$5,889,660 of the County's bank balances of \$7,089,660 was subject to custodial credit risk. The amount of \$5,589,660 was uninsured but fully collateralized by irrevocable standby letters of credit naming Harding County as the beneficiary and other collateral held in the name of the pledging bank, not in the County's name.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

2. **DEPOSIT AND INVESTMENTS, CONTINUED**

**Deposits, continued**

New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for at least one half of the amount on deposit with the institution.

Maturities of certificates of deposits are reflected in the Schedule of Bank Reconciliation of all accounts presented as supplemental information.

**Investments**

Investments held by the New Mexico State Treasurer are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool (LGIP) is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA, 1978. The pool does not have unit shares. Per Section 6-10-10.1 F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

The State Treasurer monitors pledged collateral related to most state agency bank accounts. Pledged collateral information specific to the County is not available because the bank commingles pledged collateral for all state funds it holds.

The independent auditor's report, together with the financial statements, the accompanying notes to the financial statements, and the independent auditor's report on compliance and internal controls are available from the State Investment Council, 2055 South Pacheco Street, Suite 100, Santa Fe, New Mexico 87505, upon written request.

At June 30, 2015, the County's investment with the State Treasurer is \$326.



STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**3. DUE FROM OTHER GOVERNMENTS**

The amount shown as accounts receivable represent amounts due from oil and gas taxes, motor vehicle taxes, gross receipts and other taxes. Accounts receivable as of June 30, 2015, consist of the following:

	<u>Major Funds</u>			<u>Nonmajor Funds</u>				Total
	General Fund	Road Fund	Solid Waste Fund	EMT Fund	Jail Detention Fund	Senior Program Fund	Indigent Fund	
Oil and Gas Production Tax	\$ 43,259							\$ 43,259
Gross Receipts Tax	6,204	\$ 11,686		\$ 1,557	\$ 4,136			23,583
Motor Vehicle Tax	400	18,667						19,067
Gasoline Tax	395	15,449						15,844
Environmental Gross Receipts Tax			\$ 4,670					4,670
Federal Sources						\$ 1,249		1,249
State Sources						5,118		5,118
Miscellaneous							\$ 942	942
<b>Total</b>	<b>\$ 50,258</b>	<b>\$ 45,802</b>	<b>\$ 4,670</b>	<b>\$ 1,557</b>	<b>\$ 4,136</b>	<b>\$ 6,367</b>	<b>\$ 942</b>	<b>\$ 113,732</b>

All amounts are considered to be collectible within one year.

**4. RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injury to employees, and natural disasters. For these risks of loss the County belongs to a public entity risk pool currently operated as a common risk management and insurance program for counties. (New Mexico County Insurance Authority). Amounts of settlements have not exceeded insurance coverage in the past three years. Premiums paid for fiscal year 2015 were \$118,082.

Tort claims are generally limited by the Tort Claims Act, Section 41-4-1 et. Seq, NMSA, 1978. The County retains some risk for coverage which may be less than the tort claims limitation. Certain claims relating to certain public construction, operation of motor vehicles, building maintenance and certain health care activities are exempt from the Act.

The New Mexico Self Insurer's Fund assesses a premium to the County to cover expenses of the fund which includes claims, reinsurance expenses, administration and other costs.

Risk management activities are reported primarily in the General Fund. Other funds may reimburse the General Fund for certain coverage. The County has not significantly reduced insurance coverage from the prior year. Management is not aware of any outstanding claims.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**5. POST RETIREE HEALTH CARE**

The County has elected not to participate in the Retiree Health Care Act.

**6. CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2015, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

	<u>Balance June 30, 2014</u>	<u>Current Year Additions</u>	<u>Dispositions</u>	<u>Balance June 30, 2015</u>
<b>Government Activities:</b>				
Capital Assets				
Land	\$ 25,761	\$ 0	\$ 0	\$ 25,761
Total assets not depreciated	25,761	0	0	25,761
Buildings and improvements	1,903,528	40,105	0	1,943,633
Equipment, furniture and machines	4,465,541	770,680	358,500	4,877,721
Infrastructure	<u>2,170,756</u>	<u>0</u>	<u>0</u>	<u>2,170,756</u>
Total assets depreciated	8,539,825	810,785	358,500	8,992,110
Less accumulated depreciation:				
Buildings and improvements	568,318	0	0	568,318
Equipment, furniture and machines	3,295,412	0	71,704	3,223,708
Infrastructure	942,737	0	0	942,737
Total accumulated depreciation	<u>4,806,467</u>	<u>0</u>	<u>71,704</u>	<u>4,734,763</u>
Capital assets being depreciated, net of accumulated depreciation	<u>\$ 3,733,358</u>	<u>\$ 810,785</u>	<u>\$ 286,796</u>	<u>\$ 4,257,347</u>
Total capital assets, net of accumulated depreciation	<u>\$ 3,759,119</u>	<u>\$ 810,785</u>	<u>\$ 286,796</u>	<u>\$ 4,283,108</u>

During the current year, the County sold three graders for \$305,000. Current year depreciation was not available and is not recorded.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**7. LONG-TERM LIABILITIES**

During the year ended June 30, 2015, the following changes occurred in the liabilities reported in the County-Wide Statement of Net Position:

	<b>Balance 6/30/14</b>	<b>Net Change</b>	<b>Balance 6/30/15</b>
Compensated absences	\$ 19,561	\$ 8,285	\$ 27,846
Total	\$ 19,561	\$ 8,285	\$ 27,846

The gross amount of additions and uses of compensated absences was not available .

The General and Road funds normally pay for all compensated absences.

The County entered into a loan agreement with the New Mexico Finance Authority evidencing a special limited obligation of the County to pay a principal amount \$201,512 and interest for the purpose of defraying the cost of fire protection equipment. The yearly principal payments are redirected from the County's share of the State Fire Protection Fund revenue, which is pledged to the New Mexico Finance Authority to secure the loan. Total State Fire Protection Fund revenue for Fire District No. 1 for fiscal year 2015 was \$107,761 and total revenues redirected were \$22,159. The blended interest rate is 1.686% plus 0.1% administrative fee with semi-annual interest payments. Interest expense is reported on the statement of activities as a separate line item and is not included in other functions.

A summary of changes in long-term debt for the year ended June 30, 2015, was as follows:

<b>Governmental Activities:</b>	<b>Balance 6/30/2014</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 6/30/2015</b>	<b>Due within One Year</b>
NMFA Loan- 2851 Initial Attack Fire Truck	\$ 182,942	\$ 0	\$ 19,459	\$ 163,483	\$ 19,578
Total Governmental Debt	\$ 182,942	\$ 0	\$ 19,459	\$ 163,483	\$ 19,578

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**7. LONG-TERM LIABILITIES, CONTINUED**

Scheduled principal and interest payments on the County's long-term debt are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Governmental Interest</u>	<u>Total</u>
2016	\$ 19,578	\$ 2,417	\$ 21,995
2017	19,733	2,282	22,015
2018	19,920	2,114	22,034
2019	20,159	1,595	21,754
2020	20,452	1,623	22,075
2021-2023	<u>63,641</u>	<u>2,707</u>	<u>66,348</u>
Total	<u>\$ 163,483</u>	<u>\$ 12,739</u>	<u>\$ 176,222</u>

Below are the terms, amounts due within one year, and maturity dates of the County's outstanding long-term debt:

<u>Description</u>	<u>Blended Interest Rate</u>	<u>Principal Payment Frequency</u>	<u>Payment Amount *</u>	<u>Maturity Date</u>	<u>Servicing Fund</u>
NMFA Loan 2851	1.69%	Annual	\$22,159	May 1, 2023	Intercept from Fire District No. 1 Fund

\* payment amount includes fees

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund transfers during the year ended June 30, 2015, consisted the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds		
General Fund	\$ 22,822	\$ 312,490
Road Fund	129,164	0
Capital Projects Capital Improvement Fund	0	180,000
Special Appropriations Fund	0	75,000
Debt Service Fund	<u>22,159</u>	<u>0</u>
Subtotal Major Funds	<u>174,145</u>	<u>567,490</u>
Nonmajor Governmental Funds		
Emergency Management Fund	0	113,842
EMS No. 1 Fund	0	7,967
EMS No. 2 Fund	0	4,698
EMT Fund	0	300
DWI Program Fund	10,000	12,822
Rural Addressing Fund	3,533	0
Senior Program Fund	30,630	10,000
Fire District No. 1 General Fund	7,967	0
Fire District No. 1 Fund	0	136,031
Fire District No. 2 General Fund	4,998	0
Assisted Living Project Fund	160,000	0
Affordable Housing Plan Project Fund	20,000	0
Fire No. 1 Equipment Grant Fund	113,872	0
Community Development Fund	134,600	0
Safety Net Care Pool Fund	33,486	0
Information Technology Fund	<u>159,919</u>	<u>0</u>
Subtotal Nonmajor Governmental Funds	<u>679,005</u>	<u>285,660</u>
Total Transfers	<u>\$ 853,150</u>	<u>\$ 853,150</u>

The County records temporary interfund receivables and payables to enable the funds to operate until grant expenditures are reimbursed by other governments and to supplement funding sources for its special revenue funds.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS, Continued**

The composition of interfund balances during the year ended June 30, 2015, is as follows:

**Governmental Activities**

	<u>Due From</u> <u>Other funds</u>	<u>Due To</u> <u>other funds</u>
Capital Improvements Fund	\$ 208,640	
Road Fund		\$ 208,640
Totals	<u>\$ 208,640</u>	<u>\$ 208,640</u>

Advances from the Capital Improvement Fund were used by the Road Fund for the acquisition of road equipment. Payments to the Capital Improvement Fund from the Road Fund are made monthly in the amount of \$5,089, without interest. Total payments for fiscal year 2015 were \$61,068. No additional advances were made in the current year. The obligation will mature in November of 2018.

**9. BUDGETARY DIFFERENCES**

New Mexico State Statutes restrict all officials and governing authorities from approving claims in excess of the approved budget. There were no expenditures beyond what was designated for final budgeted amounts for the fiscal year ended June 30, 2015.

**10. OPERATING LEASES**

The County is committed under various equipment operating leases (in the Road Fund). Lease expense for fiscal year 2015 was \$83,399. The County is obligated to properly maintain the equipment and return it in accordance with specified conditions. Lease agreements generally provide for the cancellation of leases in the event resources are not available to the County for appropriation. The lessor must be reimbursed for costs to restore equipment to these specified conditions.

Future minimum operating lease requirements are as follows:

	<u>Year ending June 30,</u>	
	2016	\$ 99,829
	2017	66,599
	2018	66,599
	2019	66,599
	2020	66,599
	2021-2022	98,191
Total		<u>\$ 464,414</u>

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**11. IMPLEMENTATION OF GASB 68 - ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS**

In fiscal year 2015, Harding County adopted GASB 68 to conform to the Governmental Accounting Standards Board Statement. GASB 68, Accounting and Financial Reporting for Pensions, provides for greater transparency in disclosures in the financial reporting of pensions as reflected in Note 1 to the financial statements. Additionally, GASB 68 requires the recognition of the County's proportionate share of the net pension liability in the State's multi-employer cost-sharing pension plan and the resulting actuarial effects of deferred outflows and inflows of resources. The impact on the County's financial statements is to decrease the beginning balance of net position as follows:

	Statement of <u>Activities</u>
Net position - beginning of year	\$ 8,071,738
Restatement (See Note 12)	<u>(896,331)</u>
Net position - beginning of year as restated	<u>\$ 7,175,407</u>

**12. PENSION**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension 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.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**12. PENSION, CONTINUED**

**Benefits provided.** For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014, available at: [http://www.pera.state.nm/pdf/AuditFinancialStatements/366 Public Employees Retirement Association\\_2014.pdf](http://www.pera.state.nm/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf)

**Contributions.** The contribution requirements of defined benefit plan members and Harding County are established in the state statute under Chapter 10, Article 11, NMSA, 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit at [hppt://osnm.org/media/audits/366 Public Employees Retirement Association 2014.pdf](http://osnm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf). The PERA coverage options that apply to Harding County are: Municipal General Division and Municipal Police Division. Statutorily required contributions to the pension plan from Harding County were \$55,752 and \$8,289 and there were no employer paid member benefits that were "picked up" by the employer for the year ending June 30, 2015.

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

The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on the annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using general accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to Chapter 10, Article 11, NMSA, 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members, municipal fire members, state general members, state police members, and legislative members. The County's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2014. Only employer contribution for the pay period end dates that fell within the period of July 1, 2013, to June 30, 2014, was included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, and estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Municipal General Division at June 30, 2015, Harding County reported a liability of \$585,861 for its proportionate share of the net pension liability. At June 30, 2014, Harding County's proportion was .0751%, which as unchanged from its proportion measured as of June 30, 2013, due to insignificance of the difference.



STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**12. PENSION, CONTINUED**

**Contributions, continued**

For the year ended June 30, 2015, Harding County recognized PERA Fund Municipal General Division pension expense of \$24,442. At June 30, 2015, Harding County reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Changes of assumptions	0	397
Net difference between projected and actual earnings on pension plan investments	0	229,204
Changes in proportion and difference between Harding County contributions and proportionate share of contributions	0	0
Harding County contributions subsequent to the measurement date	<u>59,023</u>	<u>0</u>
 Total	 <u>\$ 59,023</u>	 <u>\$ 229,601</u>

Deferred outflows of resources in the amount of \$59,023 related to pensions resulting from Harding County contributions subsequent to the measurement date June 30, 2014, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year ended June 30,

2016	\$ 57,400
2017	57,400
2018	57,400
2019	57,400
2020	2

For PERA Fund Municipal Police Division at June 30, 2015, Harding County reported a liability of \$75,955 for its proportionate share of the net pension liability. At June 30, 2014, Harding County's proportion was .0233%, which as unchanged from its proportion measured as of June 30, 2013, due to insignificance of the difference.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**12. PENSION, CONTINUED**

**Contributions, continued**

For the year ended June 30, 2015, Harding County recognized PERA Fund Municipal Police Division pension expense of \$5,101. At June 30, 2015, Harding County reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Changes of assumptions	0	6,170
Net difference between projected and actual earnings on pension plan investments	0	28,244
Changes in proportion and difference between Harding County contributions and proportionate share of contributions	0	0
Harding County contributions subsequent to the measurement date	<u>9,563</u>	<u>0</u>
 Total	 <u>\$ 9,563</u>	 <u>\$ 34,414</u>

Deferred outflows of resources in the amount of \$9,563 related to pensions resulting from Harding County contributions subsequent to the measurement date June 30, 2014, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year ended June 30,

2016	\$ 8,596
2017	8,596
2018	8,596
2019	8,596
2020	31

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

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

12. PENSION, CONTINUED

**Actuarial Assumptions, continued**

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

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

<b>ALL FUNDS - Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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 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 GASB 67. Therefore, the 7.75 percent 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.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**12. PENSION, CONTINUED**

**Discount Rate, continued**

Sensitivity of Harding 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 Harding County's net pension liability in each PERA Fund Division that Harding County participates in, under the current single rate assumption, as if it were calculated using a discount rate (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
PERA Fund Municipal General Division Harding County's proportionate share of the net pension liability	<u>\$ 1,104,479</u>	<u>\$ 585,861</u>	<u>\$ 185,203</u>
PERA Fund Municipal Police Division Harding County's proportionate share of the net pension liability	<u>\$ 144,847</u>	<u>\$ 75,955</u>	<u>\$ 24,515</u>

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at: <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan. Employers should disclose the amount of payables to the Plan with a description of what gave rise to the payable per GASB 68, paragraphs 122 and 124.

**13. JOINT POWERS AGREEMENTS AND MEMORANDUM OF UNDERSTANDING**

Board of Commissioners for the Harding County Sheriff's office and the Governing body of the Village of Mosquero, New Mexico, entered into the joint powers agreement to assist the Village of Mosquero in providing adequate Law Enforcement coverage. The agreement provides that the Village will make available to the Sheriff's Department its Law Enforcement Protection Funds for the purchase of law enforcement equipment. However, the Village retains ownership of the equipment. Other police equipment owned by the Village will be available for use by the Sherriff. The Village will not pay the County for these services. Costs of the project are not available. The agreement is effective April 2, 2015 and may be terminated by either party, upon 30 days' notice.

STATE OF NEW MEXICO  
HARDING COUNTY

Notes to the Financial Statements  
June 30, 2015

**14. PROPERTY TAXES RECEIVABLE**

Property taxes receivable of \$14,914 consist of uncollected property taxes that were not within the period of availability and have been classified as deferred inflow of resources in the governmental fund financial statements. The County considers property taxes fully collectible. County Treasurer's property tax schedule is not available. Taxes are considered fully collectible; therefore, an allowance has not been provided.

Pursuant to Section 7-38-21, a County taxpayer has paid and protested assessed property taxes of \$1,378,539 for the tax years 2012, 2013, and 2014, and filed a claim for refund. Funds from the payment of the property taxes are held by the County Treasurer, pending action by the Courts for resolution of the claim for refund. Upon resolution, the property taxes paid will be either returned to the taxpayer or distributed to the County Government and other governments, for whom the County collects taxes.

**15. COMMITMENTS**

At June 30, 2015, County Government had committed \$610,000 toward establishing an Assisted Living Center in the county. County Government has engaged a consultant for assistance in developing a plan for the Assisted Living Center.

**16. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 7, 2016, the date the financial statements were available to be issued.

**Schedules of Required Supplementary Information**  
**SCHEDULE OF HARDING COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION**  
**LIABILITY OF PERA FUND MUNICIPAL GENERAL DIVISION**  
**Public Employees Retirement Associated (PERA) Plan**  
**Last 10 Fiscal Years\***

	<u>2015</u>
Harding County's proportion of the net pension liability (asset)	.0751%
Harding County's proportionate share of the net pension liability (asset)	\$585,861
Harding County's covered-employee payroll	\$551,375
Harding County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.062%
Plan fiduciary net position as a percentage of the total pension liability	.0751%

\*The amounts presented were determined as of June 30<sup>th</sup>. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Harding County will present information for those years for which information is available.

**Schedules of Required Supplementary Information**  
**SCHEDULE OF HARDING COUNTY'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY OF PERA FUND MUNICIPAL POLICE DIVISION**  
**Public Employees Retirement Association (PERA) Plan**  
**Last 10 Fiscal Years\***

	<u>2015</u>
Harding County's proportion of the net pension liability (asset)	.0233%
Harding County's proportionate share of the net pension liability (asset)	\$75,955
Harding County's covered-employee payroll	\$88,417
Harding County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	85.91%
Plan fiduciary net position as a percentage of the total pension liability	.0233%

\*The amounts presented were determined as of June 30<sup>th</sup>. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Harding County will present information for those years for which information is available.

**SCHEDULE OF HARDING COUNTY'S CONTRIBUTIONS  
Public Employees Retirement Association (PERA) Plan  
PERA Fund Municipal General Division  
Last 10 Fiscal Years\***

	<u>2015</u>
Contractually required contribution	\$ 59,023
Contributions in relation to the contractually required contribution	\$ 59,023
Contribution deficiency (excess)	\$ 0
Harding County's covered-employee payroll	\$ 551,375
Contributions as a percentage of covered-employee payroll	10.11%

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

**SCHEDULE OF HARDING COUNTY'S CONTRIBUTIONS  
Public Employees Retirement Association (PERA) Plan  
PERA Fund Municipal Police Division  
Last 10 Fiscal Years\***

	<u>2015</u>
Contractually required contribution	\$ 9,563
Contributions in relation to the contractually required contribution	\$ 9,563
Contribution deficiency (excess)	\$ 0
Harding County's covered-employee payroll	\$88,417
Contributions as a percentage of covered-employee payroll	9.37%

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

## SCHEDULE OF HARDING COUNTY'S CONTRIBUTIONS

### Notes to Required Supplementary Information For the Year Ended June 30, 2015

**Changes of benefit terms.** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at:

[http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf).

**Changes of assumptions.**

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

[http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report\\_FINAL.pdf](http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf)

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



**STATE OF NEW MEXICO**  
**HARDING COUNTY**  
**SPECIAL REVENUE FUNDS DESCRIPTION**  
**JUNE 30, 2015**

**SPECIAL REVENUE**  
**FUNDS**

**FARM AND RANGE FUND** - To account for the operations of farm and range activities, including soil and water conservation, predatory animal and insect control. Financing is provided from distributions made under the Taylor Grazing Act. Authority is Section 6-11-6, NMSA, 1978.

**INDIGENT FUND** - To account for the operations of the health and welfare expenses incurred in order to help needy people of the County.

**EMERGENCY MANAGEMENT FUND** - To account for resources received from the Federal Emergency Management Agency through the State of New Mexico Department of Public Safety, Emergency Management Bureau and General Fund matching monies to help implement the "All Hazards Emergency Operations Plan" adopted by the County. Authority is 6-1-6 NMSA, 1978.

**EMERGENCY MEDICAL SERVICES FUND (EMS No. 1 and No. 2)** - To account for a grant from the State of New Mexico to be used for the acquisition of emergency medical services to County residents. Sources of funds are the State of New Mexico Health Department Emergency Medical Services Bureau. Authority is Section 24-10A-1 through 10, NMSA, 1978.

**RECORDING AND EQUIPMENT FUND** - To account for monies collected by the County Clerk's office for each instrument recorded and when the instrument is photocopied. The County Clerk may charge, in addition to any other fees authorized by law, an equipment recording fee. The equipment recording fee revenues are to be expended only to rent, purchase, lease or lease-purchase equipment associated with recording, filing, maintaining or reproducing documents in the County Clerk's office and for staff training on office procedures and equipment. Authority is the Absentee-Early Voting Act (Section 15-8-12.2, NMSA, 1978).

**REAPPRAISAL FUND** - To account for the operations of a fund to help with reappraisal of County property to insure valuation reflects current fair market value. Financing is provided by retainage of 1% of tax collections. Authority is Section 7-38-38.1, NMSA, 1978).

**EMT FUND** - To account for a special infrastructure gross receipts tax (1/16th) to be used for stipends for Certified Emergency Medical Technicians (EMT's) and ambulance drivers within Harding County. Authority is 6-1-6 NMSA, 1978.

**JAIL DETENTION FUND** - To account for a grant from the State of New Mexico Correction Department through the Law Enforcement Protection Act. The funding is to be used for law enforcement improvements. Authority is 29-14-1, NMSA, 1978.

**DWI PROGRAM AND GRANT FUND** - To account for a grant from the State of New Mexico for D.W.I. detection, screening, treatment, law enforcement, prevention, education, treatment and screening pursuant to Chapter 65, New Mexico Laws of 1993. Authority is Section 11-6A-1 through 11-6A-6, NMSA, 1978.

**DWI USERS FUND** - To account for Screening/Assessment Fees (determined on a sliding scale) to be used for DWI functions not funded by the DWI Grant. Authority is 6-1-6 NMSA, 1978.

**STATE OF NEW MEXICO**  
**HARDING COUNTY**  
**SPECIAL REVENUE FUNDS DESCRIPTION**  
**JUNE 30, 2015**

**LAW ENFORCEMENT PROTECTION FUND** - To account for a grant from the State of New Mexico Correction Department through the Law Enforcement Protection Act. The funding is to be used for law enforcement improvements. Authority is 29-14-1, NMSA, 1978.

**RURAL ADDRESSING FUND** - To account for resources provided by the General Fund to be used to mark rural addresses for use by emergency personnel. Authority is 6-1-6 NMSA, 1978.

**SENIOR PROGRAM FUND** - To account for the operations of the senior citizen centers funded by Eastern New Mexico Area Agency on Aging, congregate and charges for deliveries, and the County's contributions. Resources are received by a grant from Area Agency on Aging from the Older Americans Act, Title III-B, IIIC-1, IIIC-2 and IIID, monies and monies appropriated in Chapter 12, 1996 Laws of New Mexico (HB2). Also, to account for funds received from the U.S. Department of Agriculture through the Eastern New Mexico Area Agency on Aging to be used solely for the purchase of United States Agricultural commodities and other foods produced in the United States for use in the food operations at the Senior Centers. Authority is the Older Americans Act, House Bill 2 and the U.S. Department of Agriculture.

**COUNTY HEALTH PROGRAM** - To account for resources received from the New Mexico Department of Health to obtain a Health Coordinator to implement an overall comprehensive plan that will encourage a family, school and community partnership to promote healthy behavior and identify health issues of importance to County citizens.

**FIRE DISTRICT NO. 1 FUND** - To account for the operations and maintenance for the two fire districts. Financing is provided by an allotment from the State Fire Marshall under 59A-53-1, NMSA, 1978.

**FIRE DISTRICT NO. 2 FUND** - To account for the operations and maintenance for the two fire districts. Financing is provided by an allotment from the State Fire Marshall under 59A-53-1, NMSA, 1978.

**COMMUNITY HEALTH PROGRAM FUND** - To account for a grant received from the New Mexico Department of Health to assist with health issues of County citizens.

**ASSISTED LIVING PROJECT FUND** – To account for the assistance in the planning and development of an assisted living facility per County Commission, October, 2014.

**AFFORDABLE HOUSING PLAN PROJECT FUND** – To account for funds used to rehabilitate homes per County Commission.

**FIRE DISTRICT NO. 1 EQUIPMENT GRANT FUND** - To account for the equipment purchases for the fire districts. Financing is provided by an allotment from the State Fire Marshall under 59A-53-1, NMSA, 1978.

**COMMUNITY DEVELOPMENT FUND** - To account for requests approved by Commissioners in order to fund different organizations and Villages in Harding County.

**STATE OF NEW MEXICO**  
**HARDING COUNTY**  
**SPECIAL REVENUE FUNDS DESCRIPTION**  
**JUNE 30, 2015**

**SOLID WASTE FUND-** To account for resources received from the County's share of environmental gross receipts taxes (1/8th) and a special (1/16th) infrastructure gross receipts tax so the County may pay for the management and disposal of solid waste in future years. The County at this time does not provide solid waste services. Authority is 7-19D-10 and 7-2DE-17, NMSA, 1978.

**SAFETY NET CARE POOL FUND -** To account for the safety net care pool.

**INFORMATION TECHNOLOGY FUND -** To account for information technology per County Commission.

**SCENIC BYWAYS FUND –** To account for funds for the Scenic Byways projects from the Federal Highway Administration. Funding of this award was from SB10NM2, NMDOT CN SB00120.

**Fire No. 1 Wildland Fire Fund-** To account for money received for wildland fires for the Fire District No. 1 through the Energy, Minerals and Natural Resources Department, Forestry Division.

**Rosebud Wildland Fire Fund-** To account for money received for wildland fires for the Rosebud Fire District through the Energy, Minerals and Natural Resources Department, Forestry Division.

Legislative authority for all Special Revenue Funds is not available.

STATE OF NEW MEXICO  
HARDING COUNTY

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2015

	Farm and Range Fund 403	Indigent Fund 742	Emergency Management Fund 714	EMS No. 1 Fund 406	EMS No. 2 Fund 409	Recording and Equipment Fund 425	Reappraisal Fund 499
<b>ASSETS</b>							
Cash	\$ 701	\$ 0	\$ 0	\$ 26	\$ 9,362	\$ 20,035	\$ 21,842
Due from other governments	<u>0</u>	<u>942</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Assets</b>	<u>\$ 701</u>	<u>\$ 942</u>	<u>\$ 0</u>	<u>\$ 26</u>	<u>\$ 9,362</u>	<u>\$ 20,035</u>	<u>\$ 21,842</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued payroll	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:							
Restricted, reported in:							
Special Revenue Fund	701	942	0	26	9,362	20,035	21,842
Unassigned, reported in:							
Special Revenue Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Balances</b>	<u>701</u>	<u>942</u>	<u>0</u>	<u>26</u>	<u>9,362</u>	<u>20,035</u>	<u>21,842</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 701</u>	<u>\$ 942</u>	<u>\$ 0</u>	<u>\$ 26</u>	<u>\$ 9,362</u>	<u>\$ 20,035</u>	<u>\$ 21,842</u>

STATE OF NEW MEXICO  
HARDING COUNTY

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2015

	EMT 501	Jail Detention Fund 612	DWI Program Fund 504	DWI Users Fund 505	Law Enforcement Protection Fund 609	Rural Addressing Fund 717	Senior Program Fund 727
<b>ASSETS</b>							
Cash	\$ 76,901	\$ 346,044	\$ 10,201	\$ 5,670	\$ 0	\$ 3,956	\$ 9,082
Due from other governments	<u>1,557</u>	<u>4,136</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,367</u>
<b>Total Assets</b>	<u>\$ 78,458</u>	<u>\$ 350,180</u>	<u>\$ 10,201</u>	<u>\$ 5,670</u>	<u>\$ 0</u>	<u>\$ 3,956</u>	<u>\$ 15,449</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,280
Accrued payroll	<u>0</u>	<u>0</u>	<u>3,110</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,549</u>
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>3,110</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,829</u>
Fund Balances:							
Restricted, reported in:							
Special Revenue Fund	78,458	350,180	7,091	5,670	0	3,956	8,620
Unassigned, reported in:							
Special Revenue Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Balances</b>	<u>78,458</u>	<u>350,180</u>	<u>7,091</u>	<u>5,670</u>	<u>0</u>	<u>3,956</u>	<u>8,620</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 78,458</u>	<u>\$ 350,180</u>	<u>\$ 10,201</u>	<u>\$ 5,670</u>	<u>\$ 0</u>	<u>\$ 3,956</u>	<u>\$ 15,449</u>

STATE OF NEW MEXICO  
HARDING COUNTY

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2015

	Fire District No. 1 General Fund 413	Fire District No. 1 Fund 407	Fire District No. 2 Fund 408	Fire District No. 2 General Fund 414	County Health Program Fund 728	Assisted Living Project Fund 416	Affordable Housing Plan Project Fund 417	Fire No. 1 Equipment Grant Fund 418
<b>ASSETS</b>								
Cash	\$ 5,195	\$ 106,493	\$ 125,791	\$ 4,998	\$ 2,000	\$ 142,600	\$ 14,200	\$ 213,872
Due from other governments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Assets</b>	<u>\$ 5,195</u>	<u>\$ 106,493</u>	<u>\$ 125,791</u>	<u>\$ 4,998</u>	<u>\$ 2,000</u>	<u>\$ 142,600</u>	<u>\$ 14,200</u>	<u>\$ 213,872</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 0	\$ 42	\$ 3,055	\$ 0	\$ 2,000	\$ 12,487	\$ 0	\$ 0
Unearned revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities</b>	<u>0</u>	<u>42</u>	<u>3,055</u>	<u>0</u>	<u>2,000</u>	<u>12,487</u>	<u>0</u>	<u>0</u>
Fund balances:								
Restricted, reported in:								
Special Revenue Fund	5,195	106,451	122,736	4,998	0	130,113	14,200	213,872
Unassigned, reported in:								
Special Revenue Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Balances</b>	<u>5,195</u>	<u>106,451</u>	<u>122,736</u>	<u>4,998</u>	<u>0</u>	<u>130,113</u>	<u>14,200</u>	<u>213,872</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,195</u>	<u>\$ 106,493</u>	<u>\$ 125,791</u>	<u>\$ 4,998</u>	<u>\$ 2,000</u>	<u>\$ 142,600</u>	<u>\$ 14,200</u>	<u>\$ 213,872</u>

STATE OF NEW MEXICO  
HARDING COUNTY

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2015

	Community Development Fund 415	Solid Waste Fund 500	Safety Net Care Pool Fund 502	Information Technology Fund 726	Scenic Byways Fund 726	Fire No. 1 Wildland Fire Fund 410	Rosebud Wildland Fire Fund 411	Total
<b>ASSETS</b>								
Cash	\$ 4,500	\$ 74,263	\$ 1	\$ 159,919	\$ 4,030	\$ 4,305	\$ 2,756	\$ 1,368,743
Due from other governments	0	4,670	0	0	0	0	0	17,672
<b>Total Assets</b>	<u>\$ 4,500</u>	<u>\$ 78,933</u>	<u>\$ 1</u>	<u>\$ 159,919</u>	<u>\$ 4,030</u>	<u>\$ 4,305</u>	<u>\$ 2,756</u>	<u>\$ 1,386,415</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,864
Unearned revenue	0	0	0	0	0	0	0	8,659
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,523</u>
Fund balances:								
Restricted, reported in:								
Special Revenue Fund	4,500	78,933	1	159,919	4,030	4,305	2,756	1,358,892
Unassigned, reported in:								
Special Revenue Fund	0	0	0	0	0	0	0	0
<b>Total Fund Balances</b>	<u>4,500</u>	<u>78,933</u>	<u>1</u>	<u>159,919</u>	<u>4,030</u>	<u>4,305</u>	<u>2,756</u>	<u>1,358,892</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,500</u>	<u>\$ 78,933</u>	<u>\$ 1</u>	<u>\$ 159,919</u>	<u>\$ 4,030</u>	<u>\$ 4,305</u>	<u>\$ 2,756</u>	<u>\$ 1,386,415</u>

STATE OF NEW MEXICO  
HARDING COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2015

	Farm and Range Fund 403	Indigent Fund 742	Emergency Management Fund 714	EMS No. 1 Fund 406	EMS No. 2 Fund 409	Recording and Equipment Fund 425	Reappraisal Fund 499
<b>REVENUES</b>							
Taxes:							
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,262
Charges for services	0	0	0	0	0	7,980	0
Gross receipts taxes	0	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0	0
Environmental gross receipt taxes	0	0	0	0	0	0	0
Intergovernmental:							
State sources	0	0	0	5,200	13,430	0	0
Federal sources	17	0	0	0	0	0	0
Miscellaneous	<u>0</u>	<u>30,209</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>17</u>	<u>30,209</u>	<u>0</u>	<u>5,200</u>	<u>13,430</u>	<u>7,980</u>	<u>14,262</u>
<b>EXPENDITURES</b>							
Current:							
General government	0	0	0	0	0	0	5,800
Public safety	0	0	0	5,174	5,710	0	0
Health and welfare	0	29,267	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0	0
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>29,267</u>	<u>0</u>	<u>5,174</u>	<u>5,710</u>	<u>0</u>	<u>5,800</u>
Excess (deficiency) of revenues over expenditures:	<u>17</u>	<u>942</u>	<u>0</u>	<u>26</u>	<u>7,720</u>	<u>7,980</u>	<u>8,462</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Reversion of grant money	0	0	0	0	0	0	0
Transfers in	0	0	0	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>(113,842)</u>	<u>(7,967)</u>	<u>(4,698)</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	0	0	(113,842)	(7,967)	(4,698)	0	0
Net change in fund balances	<u>17</u>	<u>942</u>	<u>(113,842)</u>	<u>(7,941)</u>	<u>3,022</u>	<u>7,980</u>	<u>8,462</u>
Fund balances - beginning of year	<u>684</u>	<u>0</u>	<u>113,842</u>	<u>7,967</u>	<u>6,340</u>	<u>12,055</u>	<u>13,380</u>
Fund balances - end of year	<u>\$ 701</u>	<u>\$ 942</u>	<u>\$ 0</u>	<u>\$ 26</u>	<u>\$ 9,362</u>	<u>\$ 20,035</u>	<u>\$ 21,842</u>



STATE OF NEW MEXICO  
HARDING COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2015

	EMT 501	Jail Detention Fund 612	DWI Program and Grant Fund 503 and 504	DWI Users Fund 505	Law Enforcement Protection Fund 609	Rural Addressing Fund 717	Senior Program Fund 727
<b>REVENUES</b>							
Taxes:							
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Charges for services	0	0	0	650	0	0	52
Gross receipts taxes	0	58,861	0	0	0	0	0
Fines and forfeitures	0	10,752	0	0	0	0	0
Environmental gross receipt taxes	23,170	0	0	0	0	0	0
Intergovernmental:							
State sources	0	0	69,098	0	0	0	78,139
Federal sources	0	0	0	0	0	0	14,611
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,774</u>	<u>0</u>	<u>2,475</u>	<u>0</u>
Total Revenues	<u>23,170</u>	<u>69,613</u>	<u>69,098</u>	<u>5,424</u>	<u>0</u>	<u>2,475</u>	<u>92,802</u>
<b>EXPENDITURES</b>							
Current:							
General government	0	0	0	0	0	0	0
Public safety	3,672	18,223	65,758	3,467	7,400	23,519	0
Health and welfare	0	0	0	0	0	0	0
Culture and recreation	0	0	0	0	0	0	112,585
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,136</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>3,672</u>	<u>18,223</u>	<u>65,758</u>	<u>3,467</u>	<u>28,536</u>	<u>23,519</u>	<u>112,585</u>
Excess (deficiency) of revenues over expenditures:	<u>19,498</u>	<u>51,390</u>	<u>3,340</u>	<u>1,957</u>	<u>(28,536)</u>	<u>(21,044)</u>	<u>(19,783)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Reversion of grant money	0	0	(5,477)	0	0	0	0
Transfers in	0	0	10,000	0	0	3,533	30,630
Transfers out	<u>(300)</u>	<u>0</u>	<u>(12,822)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(10,000)</u>
Total other financing sources (uses)	<u>(300)</u>	<u>0</u>	<u>(8,299)</u>	<u>0</u>	<u>0</u>	<u>3,533</u>	<u>20,630</u>
Net change in fund balances	<u>19,198</u>	<u>51,390</u>	<u>(4,959)</u>	<u>1,957</u>	<u>(28,536)</u>	<u>(17,511)</u>	<u>847</u>
Fund balances - beginning of year	<u>59,260</u>	<u>298,790</u>	<u>12,050</u>	<u>3,713</u>	<u>28,536</u>	<u>21,467</u>	<u>7,773</u>
Fund balances - end of year	<u>\$ 78,458</u>	<u>\$ 350,180</u>	<u>\$ 7,091</u>	<u>\$ 5,670</u>	<u>\$ 0</u>	<u>\$ 3,956</u>	<u>\$ 8,620</u>

STATE OF NEW MEXICO  
HARDING COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2015

	Fire District No. 1 General Fund 413	Fire District No. 1 Fund 407	Fire District No. 2 Fund 408	Fire District No. 2 General Fund 414	County Health Program Fund 728	Assisted Living Project Fund 416	Affordable Housing Plan Project Fund 417	Fire No. 1 Equipment Grant Fund 418
<b>REVENUES</b>								
Taxes:								
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Charges for services	0	0	0	0	0	0	0	0
Gross receipts taxes	0	0	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0	0	0
Environmental gross receipt taxes	0	0	0	0	0	0	0	0
Intergovernmental:								
State sources	0	107,761	68,803	0	5,000	0	17,000	100,000
Federal sources	0	0	0	0	0	0	0	0
Miscellaneous	<u>0</u>	<u>1,064</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,800</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>108,825</u>	<u>68,803</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>22,800</u>	<u>100,000</u>
<b>EXPENDITURES</b>								
Current:								
General government	0	0	0	0	0	0	0	0
Public safety	2,772	27,645	42,008	0	0	0	0	0
Health and welfare	0	0	0	0	5,000	29,887	28,600	0
Culture and recreation	0	0	0	0	0	0	0	0
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>2,772</u>	<u>27,645</u>	<u>42,008</u>	<u>0</u>	<u>5,000</u>	<u>29,887</u>	<u>28,600</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures:	<u>(2,772)</u>	<u>81,180</u>	<u>26,795</u>	<u>0</u>	<u>0</u>	<u>(29,887)</u>	<u>(5,800)</u>	<u>100,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Reversion of grant money	0	0	0	0	0	0	0	0
Transfers in	7,967	0	0	4,998	0	160,000	20,000	113,872
Transfers out	<u>0</u>	<u>(136,031)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>7,967</u>	<u>(136,031)</u>	<u>0</u>	<u>4,998</u>	<u>0</u>	<u>160,000</u>	<u>20,000</u>	<u>113,872</u>
Net change in fund balances	<u>5,195</u>	<u>(54,851)</u>	<u>26,795</u>	<u>4,998</u>	<u>0</u>	<u>130,113</u>	<u>14,200</u>	<u>213,872</u>
Fund balances - beginning of year	<u>0</u>	<u>161,302</u>	<u>95,941</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - end of year	<u>\$ 5,195</u>	<u>\$ 106,451</u>	<u>\$ 122,736</u>	<u>\$ 4,998</u>	<u>\$ 0</u>	<u>\$ 130,113</u>	<u>\$ 14,200</u>	<u>\$ 213,872</u>

STATE OF NEW MEXICO  
HARDING COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2015

	Community Development Fund 415	Solid Waste Fund 500	Safety Net Care Pool Fund 502	Information Technology Fund 726	Scenic Byways Fund 726	Fire No. 1 Wildland Fire Fund 410	Rosebud Wildland Fire Fund 411	Total
<b>REVENUES</b>								
Taxes:								
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,262
Charges for services	0	47,489	0	0	0	558	142	56,871
Gross receipts taxes	0	0	0	0	0	0	0	58,861
Fines and forfeitures	0	0	0	0	0	0	0	10,752
Environmental gross receipt taxes	0	26,038	0	0	0	0	0	49,208
Intergovernmental:								
State sources	0	0	0	0	0	0	0	464,431
Federal sources	0	0	0	0	0	0	0	14,628
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,110</u>	<u>0</u>	<u>0</u>	<u>46,432</u>
Total Revenues	<u>0</u>	<u>73,527</u>	<u>0</u>	<u>0</u>	<u>2,110</u>	<u>558</u>	<u>142</u>	<u>715,445</u>
<b>EXPENDITURES</b>								
Current:								
General government	117,000	0	0	0	0	0	0	122,800
Public safety	14,000	34,016	0	0	0	2,344	10	255,718
Health and welfare	10,000	0	33,485	0	0	0	0	136,239
Culture and recreation	0	0	0	0	0	0	0	112,585
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,136</u>
Total Expenditures	<u>141,000</u>	<u>34,016</u>	<u>33,485</u>	<u>0</u>	<u>0</u>	<u>2,344</u>	<u>10</u>	<u>648,478</u>
Excess (deficiency) of revenues over expenditures:	<u>(141,000)</u>	<u>39,511</u>	<u>(33,485)</u>	<u>0</u>	<u>2,110</u>	<u>(1,786)</u>	<u>132</u>	<u>66,967</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Reversion of grant money	0	0	0	0	0	0	0	(5,477)
Transfers in	134,600	0	33,486	159,919	0	0	0	679,005
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(285,660)</u>
Total other financing sources (uses)	134,600	0	33,486	159,919	0	0	0	387,868
Net change in fund balances	<u>(6,400)</u>	<u>39,511</u>	<u>1</u>	<u>159,919</u>	<u>2,110</u>	<u>(1,786)</u>	<u>132</u>	<u>454,835</u>
Fund balances - beginning of year	<u>10,900</u>	<u>39,422</u>	<u>0</u>	<u>0</u>	<u>1,920</u>	<u>6,091</u>	<u>2,624</u>	<u>904,057</u>
Fund balances - end of year	<u>\$ 4,500</u>	<u>\$ 78,933</u>	<u>\$ 1</u>	<u>\$ 159,919</u>	<u>\$ 4,030</u>	<u>\$ 4,305</u>	<u>\$ 2,756</u>	<u>\$ 1,358,892</u>

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - FARM AND RANGE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Federal sources	\$ 15	\$ 15	\$ 17	\$ 2
Total Revenues	15	15	17	2
<b>EXPENDITURES</b>				
Current:				
General government	699	699	0	699
Total Expenditures	699	699	0	699
Net change in fund balance	(684)	(684)	17	701
Fund balance - beginning of year	684	684	684	0
Fund balance - end of year	0	0	701	701
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 17	
Net revenue accruals			0	
Net expenditure accruals			0	
Net changes in fund balance GAAP basis			\$ 17	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - INDIGENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Miscellaneous	\$ 0	\$ 0	\$ 29,267	\$ 29,267
Total Revenues	<u>0</u>	<u>0</u>	<u>29,267</u>	<u>29,267</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	<u>25,000</u>	<u>35,000</u>	<u>29,267</u>	<u>5,733</u>
Total Expenditures	<u>25,000</u>	<u>35,000</u>	<u>29,267</u>	<u>5,733</u>
Net change in fund balance	(25,000)	(35,000)	0	35,000
Fund balance - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - end of year	<u>\$ (25,000)</u>	<u>\$ (35,000)</u>	<u>\$ 0</u>	<u>\$ 35,000</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			942	
Net inventory accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 942</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - EMERGENCY MANAGEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	0	0	0	0
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>(113,842)</u>	<u>(113,842)</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(113,842)</u>	<u>(113,842)</u>
Net change in fund balances	<u>0</u>	<u>0</u>	<u>(113,842)</u>	<u>(113,842)</u>
Fund balances - beginning of year	<u>113,842</u>	<u>113,842</u>	<u>113,842</u>	<u>0</u>
Fund balances - end of year	<u>\$ 113,842</u>	<u>\$ 113,842</u>	<u>\$ 0</u>	<u>\$ (113,842)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (113,842)	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ (113,842)</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - EMS NO. 1 FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 5,000	\$ 5,200	\$ 5,200	\$ 0
Total Revenues	<u>5,000</u>	<u>5,200</u>	<u>5,200</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>11,524</u>	<u>5,200</u>	<u>5,174</u>	<u>26</u>
Total Expenditures	<u>11,524</u>	<u>5,200</u>	<u>5,174</u>	<u>26</u>
Excess (deficiency) of revenues over expenditures	(6,524)	0	26	26
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>(7,967)</u>	<u>(7,967)</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(7,967)</u>	<u>(7,967)</u>
Net change in fund balances	<u>(6,524)</u>	<u>0</u>	<u>(7,941)</u>	<u>(7,941)</u>
Fund balances - beginning of year	<u>7,967</u>	<u>7,967</u>	<u>7,967</u>	<u>0</u>
Fund balances - end of year	<u>\$ 1,443</u>	<u>\$ 7,967</u>	<u>\$ 26</u>	<u>\$ (7,941)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (7,941)	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ (7,941)</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - EMS NO. 2 FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 13,047	\$ 13,430	\$ 13,430	\$ 0
Total Revenues	<u>13,047</u>	<u>13,430</u>	<u>13,430</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>14,689</u>	<u>15,072</u>	<u>5,710</u>	<u>9,362</u>
Total Expenditures	<u>14,689</u>	<u>15,072</u>	<u>5,710</u>	<u>9,362</u>
Excess (deficiency) of revenues over expenditures	(1,642)	(1,642)	7,720	9,362
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>(4,698)</u>	<u>(4,698)</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(4,698)</u>	<u>(4,698)</u>
Net change in fund balances	<u>(1,642)</u>	<u>(1,642)</u>	<u>3,022</u>	<u>4,664</u>
Fund balances - beginning of year	<u>6,340</u>	<u>6,340</u>	<u>6,340</u>	<u>0</u>
Fund balances - end of year	<u>\$ 4,698</u>	<u>\$ 4,698</u>	<u>\$ 9,362</u>	<u>\$ 4,664</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 3,022	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 3,022</u>	



**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - RECORDING AND EQUIPMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Charges for services	\$ 7,200	\$ 7,200	\$ 7,980	\$ 780
Total Revenues	<u>7,200</u>	<u>7,200</u>	<u>7,980</u>	<u>780</u>
<b>EXPENDITURES</b>				
Current:				
General government	16,255	16,255	0	16,255
Capital outlay	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Total Expenditures	<u>19,255</u>	<u>19,255</u>	<u>0</u>	<u>19,255</u>
Net change in fund balance	<u>(12,055)</u>	<u>(12,055)</u>	<u>7,980</u>	<u>20,035</u>
Fund balance - beginning of year	<u>12,055</u>	<u>12,055</u>	<u>12,055</u>	<u>0</u>
Fund balance - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,035</u>	<u>\$ 20,035</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 7,980	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 7,980</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - REAPPRAISAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ 12,000	\$ 12,000	\$ 14,262	\$ 2,262
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>14,262</u>	<u>2,262</u>
<b>EXPENDITURES</b>				
Current:				
General government	21,380	21,380	5,800	15,580
Capital outlay	<u>4,000</u>	<u>4,000</u>	<u>0</u>	<u>4,000</u>
Total Expenditures	<u>25,380</u>	<u>25,380</u>	<u>5,800</u>	<u>19,580</u>
Net change in fund balance	<u>(13,380)</u>	<u>(13,380)</u>	<u>8,462</u>	<u>21,842</u>
Fund balance - beginning of year	<u>13,380</u>	<u>13,380</u>	<u>13,380</u>	<u>0</u>
Fund balance - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,842</u>	<u>\$ 21,842</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 8,462	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 8,462</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - EMT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Environmental gross receipts taxes	\$ 20,000	\$ 20,000	\$ 24,481	\$ 4,481
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>24,481</u>	<u>4,481</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>76,393</u>	<u>76,093</u>	<u>3,672</u>	<u>72,421</u>
Total Expenditures	<u>76,393</u>	<u>76,093</u>	<u>3,672</u>	<u>72,421</u>
Excess (deficiency) of revenues over expenditures	(56,393)	(56,093)	20,809	76,902
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>(300)</u>	<u>(300)</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(300)</u>	<u>(300)</u>
Net change in fund balances	<u>(56,393)</u>	<u>(56,093)</u>	<u>20,509</u>	<u>76,602</u>
Fund balances - beginning of year	<u>59,260</u>	<u>59,260</u>	<u>59,260</u>	<u>0</u>
Fund balances - end of year	<u>\$ 2,867</u>	<u>\$ 3,167</u>	<u>\$ 79,769</u>	<u>\$ 76,602</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 20,509	
Net revenue accruals			(1,311)	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 19,198</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - JAIL DETENTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Gross receipts taxes	\$ 40,000	\$ 40,000	\$ 57,962	\$ 17,962
Fines and forfeitures	<u>10,000</u>	<u>10,000</u>	<u>10,752</u>	<u>752</u>
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>68,714</u>	<u>18,714</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>80,000</u>	<u>80,000</u>	<u>18,223</u>	<u>61,777</u>
Total Expenditures	<u>80,000</u>	<u>80,000</u>	<u>18,223</u>	<u>61,777</u>
Net change in fund balance	<u>(30,000)</u>	<u>(30,000)</u>	<u>50,491</u>	<u>80,491</u>
Fund balance - beginning of year	<u>298,790</u>	<u>298,790</u>	<u>298,790</u>	<u>0</u>
Fund balance - end of year	<u>\$ 268,790</u>	<u>\$ 268,790</u>	<u>\$ 349,281</u>	<u>\$ 80,491</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 50,491	
Net revenue accruals			899	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 51,390</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - DWI PROGRAM AND GRANT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 69,095	\$ 69,095	\$ 69,098	\$ 3
Total Revenues	<u>69,095</u>	<u>69,095</u>	<u>69,098</u>	<u>3</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>64,000</u>	<u>64,000</u>	<u>63,802</u>	<u>198</u>
Total Expenditures	<u>64,000</u>	<u>64,000</u>	<u>63,802</u>	<u>198</u>
Excess (deficiency) of revenues over expenditures	5,095	5,095	5,296	201
<b>OTHER FINANCING SOURCES (USES)</b>				
Reversion of grant money	0	0	(5,477)	(5,477)
Transfers in	0	0	10,000	10,000
Transfers out	<u>0</u>	<u>0</u>	<u>(12,822)</u>	<u>(12,822)</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(8,299)</u>	<u>(8,299)</u>
Net change in fund balances	<u>5,095</u>	<u>5,095</u>	<u>(3,003)</u>	<u>(8,098)</u>
Fund balances - beginning of year	<u>12,050</u>	<u>12,050</u>	<u>12,050</u>	<u>0</u>
Fund balances - end of year	<u>\$ 17,145</u>	<u>\$ 17,145</u>	<u>\$ 9,047</u>	<u>\$ (8,098)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (3,003)	
Net revenue accruals			0	
Net expenditure accruals			<u>(1,956)</u>	
Net changes in fund balance GAAP basis			<u>\$ (4,959)</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - DWI USERS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Charges for services	\$ 0	\$ 0	\$ 650	\$ 650
Miscellaneous	<u>0</u>	<u>0</u>	<u>4,774</u>	<u>4,774</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>5,424</u>	<u>5,424</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>4,147</u>	<u>4,147</u>	<u>3,466</u>	<u>681</u>
Total Expenditures	<u>4,147</u>	<u>4,147</u>	<u>3,467</u>	<u>681</u>
Excess (deficiency) of revenues over expenditures	(4,147)	(4,147)	1,957	6,105
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>(4,147)</u>	<u>(4,147)</u>	<u>1,957</u>	<u>6,105</u>
Fund balances - beginning of year	<u>3,713</u>	<u>3,713</u>	<u>3,713</u>	<u>0</u>
Fund balances - end of year	<u><u>\$ (434)</u></u>	<u><u>\$ (434)</u></u>	<u><u>\$ 5,670</u></u>	<u><u>\$ 6,105</u></u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 1,957	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u><u>\$ 1,957</u></u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 21,200	\$ 21,200	\$ 21,200	\$ 0
Total Revenues	<u>21,200</u>	<u>21,200</u>	<u>21,200</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	28,536	28,536	7,400	21,136
Capital outlay	<u>0</u>	<u>0</u>	<u>21,136</u>	<u>(21,136)</u>
Total Expenditures	<u>28,536</u>	<u>28,536</u>	<u>28,536</u>	<u>0</u>
Net change in fund balance	<u>(7,336)</u>	<u>(7,336)</u>	<u>(7,336)</u>	<u>0</u>
Fund balance - beginning of year	<u>28,536</u>	<u>28,536</u>	<u>28,536</u>	<u>0</u>
Fund balance - end of year	<u>\$ 21,200</u>	<u>\$ 21,200</u>	<u>\$ 21,200</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (7,336)	
Net revenue accruals			(21,200)	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ (28,536)</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - RURAL ADDRESSING FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Miscellaneous	\$ 0	\$ 2,476	\$ 2,475	\$ (1)
Total Revenues	<u>0</u>	<u>2,476</u>	<u>2,475</u>	<u>(1)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>25,000</u>	<u>27,476</u>	<u>23,519</u>	<u>3,957</u>
Total Expenditures	<u>25,000</u>	<u>27,476</u>	<u>23,519</u>	<u>3,957</u>
Excess (deficiency) of revenues over expenditures	(25,000)	(25,000)	(21,044)	3,956
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	3,533	3,533
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>3,533</u>	<u>3,533</u>
Net change in fund balances	<u>(25,000)</u>	<u>(25,000)</u>	<u>(17,511)</u>	<u>7,489</u>
Fund balances - beginning of year	<u>21,467</u>	<u>21,467</u>	<u>21,467</u>	<u>0</u>
Fund balances - end of year	<u>\$ (3,533)</u>	<u>\$ (3,533)</u>	<u>\$ 3,956</u>	<u>\$ 7,489</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (17,511)	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ (17,511)</u>	



**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - SENIOR PROGRAM FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Charges for services	\$ 0	\$ 0	\$ 52	\$ 52
State sources	76,439	80,019	73,021	(6,998)
Federal sources	<u>13,822</u>	<u>15,322</u>	<u>13,362</u>	<u>(1,960)</u>
 Total Revenues	 <u>90,261</u>	 <u>95,341</u>	 <u>86,435</u>	 <u>(8,906)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	<u>110,758</u>	<u>115,838</u>	<u>107,850</u>	<u>7,988</u>
 Total Expenditures	 <u>110,758</u>	 <u>115,838</u>	 <u>107,850</u>	 <u>7,988</u>
Excess (deficiency) of revenues over expenditures	(20,497)	(20,497)	(21,415)	(918)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	30,630	30,630
Transfers out	<u>0</u>	<u>0</u>	<u>(10,000)</u>	<u>(10,000)</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>20,630</u>	<u>20,630</u>
 Net change in fund balances	 <u>(20,497)</u>	 <u>(20,497)</u>	 <u>(785)</u>	 <u>19,712</u>
 Fund balances - beginning of year	 <u>7,773</u>	 <u>7,773</u>	 <u>7,773</u>	 <u>0</u>
 Fund balances - end of year	 <u><u>\$ (12,724)</u></u>	 <u><u>\$ (12,724)</u></u>	 <u><u>\$ 6,988</u></u>	 <u><u>\$ 19,712</u></u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (785)	
Net revenue accruals			6,367	
Net expenditure accruals			<u>(4,735)</u>	
Net changes in fund balance GAAP basis			<u><u>\$ 847</u></u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - FIRE DISTRICT NO. 1 GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>1,443</u>	<u>7,967</u>	<u>2,772</u>	<u>5,195</u>
Total Expenditures	<u>1,443</u>	<u>7,967</u>	<u>2,772</u>	<u>5,195</u>
Excess (deficiency) of revenues over expenditures	(1,443)	(7,967)	(2,772)	5,195
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	7,967	7,967
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>7,967</u>	<u>7,967</u>
Net change in fund balances	<u>(1,443)</u>	<u>(7,967)</u>	<u>5,195</u>	<u>13,162</u>
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - end of year	<u>\$ (1,443)</u>	<u>\$ (7,967)</u>	<u>\$ 5,195</u>	<u>\$ 13,162</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 5,195	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 5,195</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**SPECIAL REVENUE FUND - FIRE DISTRICT NO. 1 FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 107,761	\$ 107,761	\$ 107,761	\$ 0
Miscellaneous	<u>0</u>	<u>0</u>	<u>1,064</u>	<u>1,064</u>
 Total Revenues	 <u>107,761</u>	 <u>107,761</u>	 <u>108,825</u>	 <u>1,064</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	74,900	74,900	27,603	47,297
Capital outlay	<u>194,163</u>	<u>80,291</u>	<u>0</u>	<u>80,291</u>
 Total Expenditures	 <u>269,063</u>	 <u>155,191</u>	 <u>27,603</u>	 <u>127,588</u>
 Excess (deficiency) of revenues over expenditures	 (161,302)	 (47,430)	 81,222	 128,652
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>(136,031)</u>	<u>(136,031)</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(136,031)</u>	<u>(136,031)</u>
 Net change in fund balances	 <u>(161,302)</u>	 <u>(47,430)</u>	 <u>(54,809)</u>	 <u>(7,379)</u>
 Fund balances - beginning of year	 <u>161,302</u>	 <u>161,302</u>	 <u>161,302</u>	 <u>0</u>
 Fund balances - end of year	 <u>\$ 0</u>	 <u>\$ 113,872</u>	 <u>\$ 106,493</u>	 <u>\$ (7,379)</u>
 Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (54,809)	
Net revenue accruals			0	
Net expenditure accruals			<u>(42)</u>	
Net changes in fund balance GAAP basis			<u>\$ (54,851)</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - FIRE DISTRICT NO. 2 FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 68,803	\$ 68,803	\$ 68,803	\$ 0
Total Revenues	<u>68,803</u>	<u>68,803</u>	<u>68,803</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	91,000	91,000	38,953	52,047
Capital outlay	<u>73,744</u>	<u>73,744</u>	<u>0</u>	<u>73,744</u>
Total Expenditures	<u>164,744</u>	<u>164,744</u>	<u>38,953</u>	<u>125,791</u>
Net change in fund balance	<u>(95,941)</u>	<u>(95,941)</u>	<u>29,850</u>	<u>125,791</u>
Fund balance - beginning of year	<u>95,941</u>	<u>95,941</u>	<u>95,941</u>	<u>0</u>
Fund balance - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 125,791</u>	<u>\$ 125,791</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 29,850	
Net revenue accruals			0	
Net expenditure accruals			<u>(3,055)</u>	
Net changes in fund balance GAAP basis			<u>\$ 26,795</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - FIRE DISTRICT NO. 2 GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	4,698	4,998	0	4,998
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>4,698</u>	<u>4,998</u>	<u>0</u>	<u>4,998</u>
Excess (deficiency) of revenues over expenditures	(4,698)	(4,998)	0	4,998
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	4,998	4,998
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>4,998</u>	<u>4,998</u>
Net change in fund balances	<u>(4,698)</u>	<u>(4,998)</u>	<u>4,998</u>	<u>9,996</u>
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - end of year	<u>\$ (4,698)</u>	<u>\$ (4,998)</u>	<u>\$ 4,998</u>	<u>\$ 9,996</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 4,998	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 4,998</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - COUNTY HEALTH PROGRAM FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>REVENUES</b>				
State sources	\$ 2,000	\$ 7,000	\$ 5,000	\$ (2,000)
Total Revenues	<u>2,000</u>	<u>7,000</u>	<u>5,000</u>	<u>(2,000)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	<u>2,000</u>	<u>7,000</u>	<u>3,000</u>	<u>4,000</u>
Total Expenditures	<u>2,000</u>	<u>7,000</u>	<u>3,000</u>	<u>4,000</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>2,000</u>	<u>2,000</u>
Fund balance - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 2,000	
Net revenue accruals			0	
Net expenditure accruals			<u>(2,000)</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - ASSISTED LIVING PROJECT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	175,945	175,945	17,400	158,545
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>180,945</u>	<u>180,945</u>	<u>17,400</u>	<u>163,545</u>
Excess (deficiency) of revenues over expenditures	(180,945)	(180,945)	(17,400)	163,545
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	160,000	160,000
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>160,000</u>	<u>160,000</u>
Net change in fund balances	<u>(180,945)</u>	<u>(180,945)</u>	<u>142,600</u>	<u>323,545</u>
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - end of year	<u>\$ (180,945)</u>	<u>\$ (180,945)</u>	<u>\$ 142,600</u>	<u>\$ 323,545</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 142,600	
Net revenue accruals			0	
Net expenditure accruals			<u>(12,487)</u>	
Net changes in fund balance GAAP basis			<u>\$ 130,113</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - AFFORDABLE HOUSING PLAN PROJECT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 20,000	\$ 20,000	\$ 17,000	\$ (3,000)
Miscellaneous	<u>0</u>	<u>0</u>	<u>5,800</u>	<u>5,800</u>
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>22,800</u>	<u>2,800</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	40,000	40,000	28,600	11,400
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>28,600</u>	<u>11,400</u>
Excess (deficiency) of revenues over expenditures	(20,000)	(20,000)	(5,800)	14,200
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	20,000	20,000
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>20,000</u>	<u>20,000</u>
Net change in fund balances	<u>(20,000)</u>	<u>(20,000)</u>	<u>14,200</u>	<u>34,200</u>
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - end of year	<u>\$ (20,000)</u>	<u>\$ (20,000)</u>	<u>\$ 14,200</u>	<u>\$ 34,200</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 14,200	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 14,200</u>	



**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - FIRE DISTRICT NO. 1 FIRE EQUIPMENT GRANT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 0	\$ 100,000	\$ 100,000	\$ 0
Total Revenues	<u>0</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	0	0	0	0
Capital outlay	<u>0</u>	<u>213,872</u>	<u>0</u>	<u>213,872</u>
Total Expenditures	<u>0</u>	<u>213,872</u>	<u>0</u>	<u>213,872</u>
Excess (deficiency) of revenues over expenditures	0	(113,872)	100,000	213,872
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	113,872	113,872
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>113,872</u>	<u>113,872</u>
Net change in fund balances	<u>0</u>	<u>(113,872)</u>	<u>213,872</u>	<u>327,744</u>
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ (113,872)</u>	<u>\$ 213,872</u>	<u>\$ 327,744</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 213,872	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 213,872</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
General government	145,000	145,000	142,000	3,000
Highway and streets	11,500	11,500	10,000	1,500
Public safety	14,000	14,000	14,000	0
Culture and recreation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>170,500</u>	<u>170,500</u>	<u>166,000</u>	<u>4,500</u>
Excess (deficiency) of revenues over expenditures	<u>(170,500)</u>	<u>(170,500)</u>	<u>(166,000)</u>	<u>4,500</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	134,600	134,600
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>134,600</u>	<u>134,600</u>
Net change in fund balances	<u>(170,500)</u>	<u>(170,500)</u>	<u>(31,400)</u>	<u>139,100</u>
Fund balances - beginning of year	<u>10,900</u>	<u>10,900</u>	<u>10,900</u>	<u>0</u>
Fund balances - end of year	<u>\$ (159,600)</u>	<u>\$ (159,600)</u>	<u>\$ (20,500)</u>	<u>\$ 139,100</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (31,400)	
Net revenue accruals			0	
Net expenditure accruals			<u>25,000</u>	
Net changes in fund balance GAAP basis			<u>\$ (6,400)</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - SOLID WASTE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Environmental gross receipts taxes	\$ 20,000	\$ 20,000	\$ 24,481	\$ 4,481
Charges for services	<u>40,000</u>	<u>40,000</u>	<u>48,962</u>	<u>8,962</u>
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>73,443</u>	<u>13,443</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	27,600	37,618	34,016	3,602
Capital outlay	<u>67,236</u>	<u>57,218</u>	<u>0</u>	<u>57,218</u>
Total Expenditures	<u>94,836</u>	<u>94,836</u>	<u>34,016</u>	<u>60,820</u>
Net change in fund balance	<u>(34,836)</u>	<u>(34,836)</u>	<u>39,427</u>	<u>74,263</u>
Fund balance - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - end of year	<u>\$ (34,836)</u>	<u>\$ (34,836)</u>	<u>\$ 39,427</u>	<u>\$ 74,263</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 39,427	
Net revenue accruals			84	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 39,511</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - SAFETY NET CARE POOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	0	33,486	33,485	1
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>33,486</u>	<u>33,485</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	0	(33,486)	(33,485)	1
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	33,486	33,486
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>33,486</u>	<u>33,486</u>
Net change in fund balances	<u>0</u>	<u>(33,486)</u>	<u>1</u>	<u>33,487</u>
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ (33,486)</u>	<u>\$ 1</u>	<u>\$ 33,487</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 1	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 1</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**SPECIAL REVENUE FUND - INFORMATION TECHNOLOGY FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
General government	106,919	106,919	0	106,919
Capital outlay	<u>53,000</u>	<u>53,000</u>	<u>0</u>	<u>53,000</u>
Total Expenditures	<u>159,919</u>	<u>159,919</u>	<u>0</u>	<u>159,919</u>
Excess (deficiency) of revenues over expenditures	<u>(159,919)</u>	<u>(159,919)</u>	<u>0</u>	<u>159,919</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	159,919	159,919
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>159,919</u>	<u>159,919</u>
Net change in fund balances	<u>(159,919)</u>	<u>(159,919)</u>	<u>159,919</u>	<u>319,838</u>
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - end of year	<u>\$ (159,919)</u>	<u>\$ (159,919)</u>	<u>\$ 159,919</u>	<u>\$ 319,838</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 159,919	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 159,919</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - SCENIC BYWAYS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Charges for services	\$ 0	\$ 0	\$ 0	\$ 0
Federal sources	0	0	0	0
Miscellaneous	<u>0</u>	<u>0</u>	<u>2,110</u>	<u>2,110</u>
 Total Revenues	 <u>0</u>	 <u>0</u>	 <u>2,110</u>	 <u>2,110</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	<u>1,920</u>	<u>1,920</u>	<u>0</u>	<u>1,920</u>
 Total Expenditures	 <u>1,920</u>	 <u>1,920</u>	 <u>0</u>	 <u>1,920</u>
Excess (deficiency) of revenues over expenditures	(1,920)	(1,920)	2,110	4,030
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Net change in fund balances	 <u>(1,920)</u>	 <u>(1,920)</u>	 <u>2,110</u>	 <u>4,030</u>
 Fund balances - beginning of year	 <u>1,920</u>	 <u>1,920</u>	 <u>1,920</u>	 <u>0</u>
 Fund balances - end of year	 <u><u>\$ 0</u></u>	 <u><u>\$ 0</u></u>	 <u><u>\$ 4,030</u></u>	 <u><u>\$ 4,030</u></u>
 Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 2,110	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u><u>\$ 2,110</u></u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - FIRE NO. 1 WILDLAND FIRE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Charges for services	\$ 0	\$ 0	\$ 558	\$ 558
Total Revenues	<u>0</u>	<u>0</u>	<u>558</u>	<u>558</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	6,091	6,091	2,344	3,747
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>6,091</u>	<u>6,091</u>	<u>2,344</u>	<u>3,747</u>
Excess (deficiency) of revenues over expenditures	(6,091)	(6,091)	(1,786)	4,305
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>(6,091)</u>	<u>(6,091)</u>	<u>(1,786)</u>	<u>4,305</u>
Fund balances - beginning of year	<u>6,091</u>	<u>6,091</u>	<u>6,091</u>	<u>0</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,305</u>	<u>\$ 4,305</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (1,786)	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ (1,786)</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**NON-MAJOR SPECIAL REVENUE FUND - ROSEBUD WILDLAND FIRE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Charges for services	\$ 0	\$ 0	\$ 142	\$ 142
Total Revenues	<u>0</u>	<u>0</u>	<u>142</u>	<u>142</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	2,624	2,624	10	2,614
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>2,624</u>	<u>2,624</u>	<u>10</u>	<u>2,614</u>
Excess (deficiency) of revenues over expenditures	(2,624)	(2,624)	132	2,756
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>(2,624)</u>	<u>(2,624)</u>	<u>132</u>	<u>2,756</u>
Fund balances - beginning of year	<u>2,624</u>	<u>2,624</u>	<u>2,624</u>	<u>0</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,756</u>	<u>\$ 2,756</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 132	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 132</u>	



**STATE OF NEW MEXICO  
HARDING COUNTY**

**CAPITAL PROJECTS FUND - BUILDING RESTORATION ADA FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>704,869</u>	<u>704,869</u>	<u>0</u>	<u>704,869</u>
Total Expenditures	<u>704,869</u>	<u>704,869</u>	<u>0</u>	<u>704,869</u>
Excess (deficiency) of revenues over expenditures	<u>(704,869)</u>	<u>(704,869)</u>	<u>0</u>	<u>704,869</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>(704,869)</u>	<u>(704,869)</u>	<u>0</u>	<u>704,869</u>
Fund balances - beginning of year	<u>704,869</u>	<u>704,869</u>	<u>704,869</u>	<u>0</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 704,869</u>	<u>\$ 704,869</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENT FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	<u>1,442,574</u>	<u>1,442,574</u>	<u>0</u>	<u>1,442,574</u>
Total Expenditures	<u>1,442,574</u>	<u>1,442,574</u>	<u>0</u>	<u>1,442,574</u>
Excess (deficiency) of revenues over expenditures	(1,442,574)	(1,442,574)	0	1,442,574
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>(180,000)</u>	<u>(180,000)</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(180,000)</u>	<u>(180,000)</u>
Net change in fund balances	<u>(1,442,574)</u>	<u>(1,442,574)</u>	<u>(180,000)</u>	<u>1,262,574</u>
Fund balances - beginning of year	<u>1,109,927</u>	<u>1,109,927</u>	<u>1,109,927</u>	<u>0</u>
Fund balances - end of year	<u>\$ (332,647)</u>	<u>\$ (332,647)</u>	<u>\$ 929,927</u>	<u>\$ 1,262,574</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (180,000)	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ (180,000)</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**CAPITAL PROJECT FUND - LAND ACQUISITION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
June 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
General government	0	0	0	0
Highway and streets	0	0	0	0
Capital outlay	<u>952,428</u>	<u>952,428</u>	<u>40,109</u>	<u>912,319</u>
Total Expenditures	<u>952,428</u>	<u>952,428</u>	<u>40,109</u>	<u>912,319</u>
Excess (deficiency) of revenues over expenditures	(952,428)	(952,428)	(40,109)	912,319
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>(75,000)</u>	<u>(75,000)</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(75,000)</u>	<u>(75,000)</u>
Net change in fund balances	<u>(952,428)</u>	<u>(952,428)</u>	<u>(115,109)</u>	<u>837,319</u>
Fund balances - beginning of year	<u>952,428</u>	<u>952,428</u>	<u>952,428</u>	<u>0</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 837,319</u>	<u>\$ 837,319</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (115,109)	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ (115,109)</u>	

**STATE OF NEW MEXICO  
HARDING COUNTY**

**DEBT SERVICE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Interest income	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	0	0	0	0
<b>EXPENDITURES</b>				
Current:				
General government	186	186	183	3
Debt service:				
Principal	19,459	19,459	19,459	0
Interest	2,517	2,517	2,517	0
Total Expenditures	22,162	22,162	22,159	3
Excess (deficiency) of revenues over expenditures	(22,162)	(22,162)	(22,159)	3
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	22,159	22,159
Transfers out	0	0	0	0
Total other financing sources (uses)	0	0	22,159	22,159
Net change in fund balances	(22,162)	(22,162)	0	22,162
Fund balances - beginning of year	0	0	0	0
Fund balances - end of year	\$ (22,162)	\$ (22,162)	\$ 0	\$ 22,162
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			0	
Net changes in fund balance GAAP basis			\$ 0	

**STATE OF NEW MEXICO  
HARDING COUNTY  
AGENCY FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2015**

AGENCY

**COUNTY TAX COLLECTIONS** - To account for taxes and other monies collected by the County on behalf of the School Districts and Municipalities within the County and the State of New Mexico.

Note A: CORRECTION OF AN ERROR

Beginning balances of the Statement of Changes in the Assets and Liabilities – Agency Funds has been restated to correct an error in reporting for the year ended June 30, 2014 as follows:

	Balance		As Restated
	June 30, 2014	Restatement	Balance June 30, 2014
	<hr/>		
<b>Assets</b>			
Cash	\$ 899,211	\$ 0	\$ 899,211
Accounts receivable	<u>756,722</u>	<u>(756,722)</u>	<u>0</u>
Total Assets	<u>\$ 1,655,933</u>	<u>\$ (756,722)</u>	<u>\$ 899,211</u>
<b>Liabilities</b>			
Deposits held for others:			
Predator Control	\$ 3,903	\$ (3,804)	\$ 99
Mesa Soil Conservation	69	(68)	1
Ute Creek SCWD	0	1	1
Treasurer-Taxes Paid in Suspense	937,334	(66,019)	871,315
Treasurer-Overpayment of Taxes	0	94	94
Treasurer-Taxes Paid in Advance	89	836	925
Municipalities	506	(351)	155
State of New Mexico	131,145	(129,554)	1,591
School Districts	<u>582,889</u>	<u>(557,859)</u>	<u>25,030</u>
Total Liabilities	<u>\$ 1,655,935</u>	<u>\$ (756,724)</u>	<u>\$ 899,211</u>

**STATE OF NEW MEXICO  
HARDING COUNTY**

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	Restated Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets</b>				
Cash	\$ 899,211	\$ 1,563,692	\$ 1,051,590	\$ 1,411,313
Total Assets	<u>\$ 899,211</u>	<u>\$ 1,563,692</u>	<u>\$ 1,051,590</u>	<u>\$ 1,411,313</u>
<b>Liabilities</b>				
Deposits held for others:				
Predator Control	\$ 99	\$ 10,586	\$ 10,685	\$ 0
Mesa Soil Conservation	1	2,971	2,961	11
Ute Creek SCWD	1	2,881	2,881	1
Treasurer-Taxes Paid in Suspense	871,315	521,557	0	1,392,872
Treasurer-Overpayment of Taxes	94	107	0	201
Treasurer-Taxes Paid in Advance	925	243	0	1,168
Municipalities	155	4,710	4,840	25
State of New Mexico	1,591	124,823	126,343	71
School Districts	<u>25,030</u>	<u>895,813</u>	<u>903,879</u>	<u>16,964</u>
Total Liabilities	<u>\$ 899,211</u>	<u>\$ 1,563,691</u>	<u>\$ 1,051,589</u>	<u>\$ 1,411,313</u>

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Pledged Collateral  
To Secure the Deposits of Public Funds  
June 30, 2015

Farmers & Stockmen's Bank  
22 Maple Street  
Clayton, New Mexico 88415

Irrevocable Stand by Letters of Credit	CPN	Maturity Date	Market Value	Par Value
FHLB LOC	635000199	12/2/2015	\$ 1,000,000	\$ 1,000,000
FHLB LOC	635000204	9/10/2015	1,500,000	1,500,000
FHLB LOC	635000203	8/13/2015	1,750,000	1,750,000
Total Available Line of Credit			4,250,000	<u>\$ 4,250,000</u>

Pledged Securities	CUSIP	Maturity Date	Market Value	Par Value
FNMA Callable	3136G2HW0	5/18/2018	199,508	200,000
SBA Pool 521911	83165AKY9	1/25/2025	433,945	393,915
FNMA Pool	31417Y3A3	7/1/2031	463,236	425,205
FNMA Pool 74565	31403DMA4	11/1/2035	58,557	54,503
SBA Pool 521838	83165AHP2	9/25/2023	131,238	119,754
Hobbs NM Sch	433866ET3	7/15/2019	100,000	100,000
Hobbs NM Sch	433866IT.	7/15/2019	150,000	150,000
Total Securities Pledged		Total	1,536,484	<u>\$ 1,443,377</u>

Total Available Irrevocable Standby Letters of Credit  
and Pledged Securities \$ 5,786,484

The pledged securities are held in safekeeping at the Federal Home Loan Bank of Dallas at 8500 Freeport Parkway South, Suite 100, Irving, Texas in the name of Farmers & Stockmen's Bank, Clayton, New Mexico.

**STATE OF NEW MEXICO  
HARDING COUNTY**

CASH RECONCILIATION - ALL ACCOUNTS  
June 30, 2015

Bank Name	June 30, 2015			
	Bank Statement Balance	Outstanding Deposits	Outstanding Checks	Book Balance
The Farmers and Stockmen's Bank Clayton, New Mexico:				
Checking Account:				
Harding County Treasurer	\$ 2,070,333	\$ 0	\$ (124,248)	\$ 1,946,085
Harding County MMA	1,326,454			1,326,454
Certificates of Deposit:				
CD 8521588 - Maturing 12/16/2015 rate .85%	477,302			477,302
CD 8521619 - Maturing 7/3/2016 rate .75%	250,000			250,000
CD 8521623 - Maturing 7/11/15 rate .45%	250,000			250,000
CD 8521663 - Maturing 12/10/16 rate 1.25%	250,000			250,000
CD 8521666 - Maturing 12/16/15 rate .75%	515,515			515,515
CD 8521667 - Maturing 1/5/16 rate .45%	400,056			400,056
CD 8521677 - Maturing 3/23/2017 rate .80%	300,000			300,000
 Wells Fargo Securities LLC:				
Certificates of Deposit:				
Ally Bank - Maturing 6/20/2016 rate .60%	250,000			250,000
Amex Centurion Bank - Maturing 12/18/2017 rate 1.45%	250,000			250,000
Barclays Banks - Maturing 7/5/2016 rate .65%	250,000			250,000
GE Capital Retail Bank - Maturing 3/7/2017 rate 1.05%	250,000			250,000
Goldman Sachs Bank - Maturing 12/27/16 rate 1.00%	250,000			250,000
Subtotal	7,089,660	0	(124,248)	6,965,412
State of New Mexico Reserve Contingencies Fund	326			326
Cash on hand	250			250
Total	\$ 7,090,236	\$ 0	\$ (124,248)	\$ 6,965,988
Governmental Activities				\$ 5,554,674
Fiduciary Funds				1,411,314
Total				\$ 6,965,988

See accompanying notes to the financial statements and independent auditor's report.



STATE OF NEW MEXICO  
HARDING COUNTY

TAX ROLL RECONCILIATION-CHANGES IN THE COUNTY TREASURER'S PROPERTY  
TAXES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2015

Property taxes receivable June 30, 2014, as previously reported	\$	886,456
Restatement:		
Adjustment		(11,364)
2012 and 2013 Property Tax Paid Under Protest		<u>(864,927)</u>
Property taxes June 30, 2014, as restated		10,165
Charges to Tax Roll:		
Net taxes charged to treasurer for fiscal year		1,943,902
Adjustments:		
Increases in taxes receivables		1,263
Charge off of taxes receivables		(152)
Other Adjustment		<u>(88)</u>
Total receivables prior to collections		1,955,090
Collections for fiscal year ended June 30, 2015		(1,426,564)
2014 Property Tax Paid Under Protest		(513,612)
Property taxes receivable, end of year	<u>\$</u>	<u>14,914</u>
Property taxes receivable by years:		
2005-2013	\$	6,613
2014		<u>8,301</u>
Total taxes receivable	<u>\$</u>	<u>14,914</u>
Summary of property tax paid under protest by year:		
2012	\$	393,661
2013		471,266
2014		<u>513,612</u>
Total property taxes paid under protest	<u>\$</u>	<u>1,378,539</u>

Note B: CORRECTION OF AN ERROR

Property taxes receivable at June 30, 2014 have been restated to correct a reporting error as reflected above.

See accompanying notes to the financial statements and independent auditor's report.

STATE OF NEW MEXICO  
HARDING COUNTY

YTD Units of Service Sheet

Fiscal Year 14-15

Program's Name: Harding County

Services	Negotiated Units	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	YTD	BALANCE	MET	Monitor
Congregate Meals	4,942	449	419	410	445	365	409	299	333	339	418	368	439	4693	-249	94.96%	\$45,601
Home Delivered Meals	4,149	394	362	331	384	325	357	316	322	307	288	270	312	3968	-181	95.64%	\$26,726
<b>Total</b>	<b>9,091</b>	<b>843</b>	<b>781</b>	<b>741</b>	<b>829</b>	<b>690</b>	<b>766</b>	<b>615</b>	<b>655</b>	<b>646</b>	<b>706</b>	<b>638</b>	<b>751</b>	<b>8661</b>	<b>-430</b>	<b>95.27%</b>	<b>\$72,327</b>

Example Entity  
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)  
 For the Year Ended June 30, 2015  
 Prepared by Agency Staff Name: \_Harding County Title: \_Finance Director\_ Date: \_Jan 8, 2016\_

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
	Long Term Rental (5 years) Compactor	Caterpillar	75,925.50		Caterpillar Financial P O Box 100647 Pasadena, CA 91189	state	N	
Statewide Agreement	Lease 140M3 (3) Graders	Caterpillar	716,250.00		Caterpillar Financial P O Box 100647 Pasadena, CA 91189	state	N	
	Lease WD Loader	Deere Credit	71,967.97		John Deere 6400 NW 86th Johnston, Iowa 50131	state	N	



**R. Kelly McFarland**

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**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**

Tim Keller, State Auditor and  
Commissioners of Harding County, New Mexico  
Mosquero, New Mexico

I was engaged to audit, 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, each major fund, and the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of the Harding County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Harding County's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Harding County, presented as supplemental information, and have issued my report, thereon, dated January 7, 2016. My report disclaims an opinion on such financial statements because of inadequacies in capital asset and accounting records.

**Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Harding 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 my opinions on the financial statements, and the combining and individual funds and related budgetary comparisons of the Harding County but not for the purpose of expressing an opinion on the effectiveness of Harding County's internal control. Accordingly, I do not express an opinion on the effectiveness of Harding County's internal control.

My 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, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, I identified certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. (2015-001, 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, 2015-009, 2015-011, and 2014-001).

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiencies described in the accompany schedule of findings and responses to be significant deficiencies.

### **Compliance and Other Matters**


As part of obtaining reasonable assurance about whether Harding County's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items (2015-002, 2015-007, 2015-008, 2015-010, 2015-011, 2015-012 and 2013-003).

### **Harding County's Response to Findings**

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

### **Purpose of this Report**

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

A handwritten signature in cursive script that reads "R Kelly M Farland".

January 7, 2016

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

CURRENT YEAR FINDINGS

**Finding 2015-001 (Material Weakness)**

Segregation of Duties, Lack of Policies, Procedures and Internal Controls

Condition – The County received a deposit on January 8, 2015, in the amount of \$716,250 from Caterpillar Financial Services for which no employee or elected official knows the purpose of the funds. No documents can be located by County officials relating to the funds received. The funds were recorded as equipment receipts, although no one really knows the nature of the funds.

On August 12, 2014, the County Commission was presented with a proposal to lease three road graders which was approved by the Commission without discussion.

An operating lease agreement was executed on December 17, 2014, by the County for three road graders for a term of 84 months.

On February 12, 2015, the County paid an invoice for the purchase of three road graders in the amount of \$716,250. The equipment was purchased without a bidding process on a statewide price agreement contract that expired on May 5, 2014, from Wagner Equipment Company. County officials can find no renewal or valid state purchase contract. The serial numbers of the equipment listed on the lease agreement are the same as on the purchase invoices paid.

Criteria - Section 6-10-2, NMSA, 1978, provides that public officials have a duty to maintain receipt of money received. Section 12-6-5 NMSA, 1978, requires agencies to implement “good accounting practices”. Implicit in recording of public funds is the establishment of a system of internal controls. One of the elements of internal control is information and communication which supports all other control components of internal control by communicating control responsibilities and providing for the flow of information throughout the organization. Proper internal controls also provide for segregation of duties such that no one person is able to conduct a transaction or negotiate a contract, without the knowledge of others within the organization

Also implicit in the accounting process is the maintenance of records to document transactions to ensure the validity and proper recording of transactions to preclude misstatement of the financial statements, so that the activities of the government are reported in a clear and transparent manner that demonstrates the stewardship of public officials.

County governments are generally limited for borrowing transactions by Article IX, Sec. 10 of the State Constitution which limits debt incurred by County Governments to bond elections, Section 4-62-1, NMSA, 1978 which requires the pledging of tax or other revenues, and for special purposes such as floods (Sec. 4-50-2 NMSA, 1978). State law would generally not permit short-term borrowing from private sources for non-emergencies.

Section 13-6-1, NMSA, 1978, requires local public bodies to notify the State Auditor and the Department of Finance and Administration of the disposition of personal property in excess of \$5,000. Sales of personal property not sold to another government must be sold by means of competitive sealed bid.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**Finding 2015-001** (Material Weakness), Continued

Effect – The County engaged in an opaque transaction that no one in the government fully understood or is even currently aware of. As a result, County Officials were unable to transparently report this transaction, which may result in a material misstatement of the financial statements because the nature of the transaction is unknown.

Should these transactions be determined to be a reverse sale lease-back transaction, County Government is in noncompliance with the procurement code, prohibitions of borrowing, sale of public property, statutory requirements to properly account for the receipt of public funds, and the statutory requirement to maintain “good accounting practices”.

The manner in which the transaction was conducted exposed County Government to possible material loss. County Government has no release from Caterpillar Financial Services to release them from repayment of the \$716,250. If the proceeds received were in fact a loan, the remaining obligation of County Government, if any is unknown.

Finally, the ownership of the three road graders purchased by County Government for \$716,250 is not known. If the transaction was an assignment of the equipment to Caterpillar Financial Services in repayment of a loan, the County would not own the road graders.

Cause – In April of 2015, the County Finance Director suddenly resigned and a new Finance Director was appointed. The new Finance Director reported that County documents had not been filed in some time and were all in a huge pile on a large table.

Negotiations regarding acquisition of new County road equipment were apparently conducted by this one individual, without the knowledge of others within the government. Documents relating to the transaction reported above have not been located.

The nature of the agreement may have been a reverse sale and leaseback transaction, in which funds may have been borrowed from the lender and used to purchase the equipment from the equipment dealer and, subsequently, assigned to the lender to repay the loan. Finally, the equipment may have been leased back from the lender. No documents as to the nature or purpose of this very unusual transaction have been discovered, that would document a sale and lease back transaction. Standard lease documents, evidencing only a standard lease are the only known documents.

The negotiations regarding the transaction were apparently conducted by one person, without oversight, such that he was able to control all aspects of the transaction, to the exclusion of all other persons in the government. The apparent rouge employee was able to maintain total control over the transaction because Harding County Government policies do not provide policies for segregation of duties that preclude one person from having complete control of a transaction as well as providing for appropriate oversight.

While Harding County Government does have a procurement policy, the design of the policy concentrates purchase authority such that only the Finance Director/Chief Procurement Officer is responsible for all aspects of purchasing. As the Finance Director is also the County bookkeeper, the Finance Director effectively controls all aspects of negotiations, issuing a purchase order, preparing checks and recording of the transaction.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**Finding 2015-001** (Material Weakness), Continued

Apparently, no consultants were engaged to assist in the transaction nor was the County legal counsel consulted regarding this large and complex transaction for legal compliance or for the protection of the rights of the County Government.

Finally, although the Treasurer made inquiries of other County officials as to the nature of the unidentified and unusual deposit that appeared from nowhere of \$716,250, there appears to not have been oversight requiring an investigation into the nature of a transaction that is over 17% of total County revenue.

Recommendation. I recommend that an investigation be conducted to identify the nature of the transaction, the ownership of the three road graders purchased and if the County has any liability for the funds received. I also recommend County Government adopt written internal control policies to provide for a segregation of duties, such that no one person has control over a single transaction. I recommend the duties of the procurement officer and the Finance Director be separated, so that different individuals perform these functions. The Procurement Officer appointed should receive appropriate training before assuming the position.

I also recommend that for large and unusual purchases, County Government consult with appropriate professionals, (i.e., legal counsel, engineers, or the General Services Department for guidance). (The General Services Department has available template documents, such as lease agreements, for the use of local governments that meet all legal requirements.) The internal control policies should also address the communication and information component of internal control to provide for the flow of information within the organization, particularly to include the County Commission, who must provide oversight for all County operations. The policy should make it the responsibility of all County officials to bring to the attention of the County Commission any unusual transactions to assist the Commission in its oversight responsibility.

Management's Response - The new Finance Director believes that management and organizational skills are essential to operating and keeping documentation on all transaction. The new Finance Director believes that an Internal Control Policy needs to be in place for Harding County so that such large amounts are controlled, discussed by more than one person. The Treasurer believes this will help eliminate issues. The New Finance Director will try and have an Internal Control Policy in place by June 30, 2016.



**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-002** (Material Noncompliance)

Procurement

Condition – County Government purchased three road graders on February 12, 2015, for a total cost of \$716,250, using a State Purchase Contract that expired on May 5, 2014, as discussed in Finding 2015-001. County officials can find no extension of the purchase agreement.

Criteria - Section 13-1-129 NMSA, 1978, provides for procurement from contracts of other governments provided the vendor is willing to extend pricing and terms. The NM General Services Department regularly prepares competitive bids from which other governments may make purchases, without requesting competitive bids themselves as required by Section 13-1-110 NMSA, 1978. The price agreements are necessarily only available for a limited period of time. The General Services Department regularly provides training to local governments as to processes for procurement required by law.

Effect – Harding County is not in compliance with the procurement code because a purchase of \$716,250 was purchased from an expired Statewide Price Agreement,= for which the County has no record of an extension of the agreement.

Cause – As discussed in Finding 2015-001, the County Procurement Policy is improperly designed as it does not provide for a proper segregation of duties. The procurement responsibilities along with the County bookkeeping processes are vested in the same person. As one person is responsible for all processes, procurement, even of large purchases, is not reviewed or monitored by another person for possible errors. Additionally, County personnel have not had training in procurement processes.

Recommendation – As previously discussed in Finding 2015-001, I recommend the County Procurement Policy be amended to separate the positions of Procurement Officer and the Finance Director such that these duties be performed by different people. I also recommend that a second person review all purchases for adherence to the Policy, to include, ensuring that proper budget resources are available for the purchase. All personnel involved with purchasing should receive training. Finally, I recommend that the County take advantage of the assistance offered by the General Services Department and/or other consultants, particularly legal counsel, to ensure adherence to state law as well as obtaining the best price for the taxpayers of Harding County.

Management's Response - The Finance Director believes that it is crucial for the Procurement Officer, along with others to have had training for the procurement. The new Finance Director attended the Procurement Class from Dec 8-11. The Finance Director will continue to attend classes throughout 2016 to better her understanding for Harding County Procurement.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-003** (Material Weakness)

Information Technology and Financial Reporting

*General Ledger Accounting*

Condition – The trial balance was not in balance in the amount of \$22,159 at June 30, 2015.

Criteria – Section 12-6-5 NMSA, 1978, requires governments to maintain “good accounting practices.” Basic accounting principles rely on maintaining the balance of the accounting equation (assets, deferred outflows = liabilities, deferred inflows, net position or fund balance) to ensure all transactions are properly recorded in order to prepare financial reports and financial statements free of misstatement. Elected officials and management rely on the accuracy of financial reports for policy decisions, management of the County and budgetary compliance. Accounting systems should provide for control measures which would not permit entries to be posted to cause the general ledger to be out of balance to provide integrity and confidence of users of the financial information.

Effect – Financial reports of County Government were misstated and could not be relied on to make policy decisions, County management or for budgetary compliance. Financial statements could not be prepared from the trial balance because it was not in balance.

Cause - For unexplained reasons, a credit was posted to the general ledger without an offsetting debit. The offending entry may be related to the recording on an intercept transaction. These are transactions in which the Taxation and Revenue Department withholds tax or other revenues and applies the collected revenue to County debt payments with the New Mexico Finance Authority. County personnel do not understand why the system posted this entry.

The County uses the cash basis accounting software – Triadic. Since an intercept transaction does not involve the receipt of cash, the transaction must be posted by journal entry. The transaction is made more complex as the debt payment is budgeted in the debt service fund and, therefore, involves a transfer from the fire fund to the debt service fund.

County personnel have not had training in the use of the Triadic accounting system.

Recommendation – I recommend all County personnel who use the Triadic system be trained in the use of the software. I also recommend that County Management discuss with Triadic how the system could allow the posting of a one-sided entry and to work with Triadic to resolve this issue.

Managements Response - The Treasurer’s Office submits a trial balance to the budget analyst with each quarterly report. **Yes**, it is off by the amount of the annual NMFA intercept payment, which is or was \$22,159.00. The Treasurer’s budget analyst is very aware of this lop-sided or complex entry, as are the Commissioners. It has been ongoing for three (3) years in spite of repeated requests for help or clarity of the situation.

**STATE OF NEW MEXICO**  
**HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-003** (Material Weakness), continued

The Finance director *does* have the annual intercept incorporated into the expenditure budget, while the Treasurer's office *does not*. Instructions from prior auditors were given to a prior Finance Director in late 2012 and early 2013 on how to best incorporate the new NMFA loan into the Harding County books. The Treasurer's Office was instructed *not* to incorporate the NMFA as a revenue, as actual monies are not received nor receipted for the intercept amount. The Treasurer's Office has not been comfortable with the annual entry for three (3) years.

Harding County requested the help of prior auditors in 2013 and again in 2014, and of our DFA Budget Analysts to properly enter the NMFA intercept into the monthly Treasurer's Report and DFA Quarterly Reports. The budget analysts have been our only source of help or suggestions. The County has had had 3 budget analysts in 3 years, and so far, the best suggestion from DFA has been the complex transfer.

When the Treasurer first met with the current auditor on 07.29. 2015, the Treasurer made it a point to mention that she *was not* comfortable with the NMFA lop-sided entries. The Treasurer explained how they did not feel the fund was set up correctly in 2012/13, and it did not paint a clear picture. The Treasurer requested clarification on the NMFA fund, but did not get a chance during the audit to discuss the issue at hand.

**The Treasurer will continue** to work with my budget analyst to complete the annual NMFA entry. The Treasurer will continue to share the information with my commissioners, and as the auditor suggests, the Treasurer will discuss the possibility of a one sided entry with Triadic Enterprise Inc. to satisfy audit FY15/16.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**Finding 2015-004 (Material Weakness)**

Lack of Policies, Procedures and Internal Controls

*Accrual Accounting*

Condition – Management provided a list of receivables to the auditors to assist County Government in converting the cash basis system of accounting to accrual for year end receivables; however, of the revenues listed, \$139,244 was 2016 revenues.

Criteria - Section 12-6-5 NMSA, 1978, requires governments to maintain “good accounting practices”. Among management’s responsibility as provided by *Government Auditing Standards* 1.02 is that, “...Management and officials of government programs are responsible for providing reliable, useful and timely information for transparency and accountability...” Chapter 3 of *Government Auditing Standards* allows auditors to perform nonaudit services for governments to propose journal entries to convert a cash basis accounting system to the accrual basis and assist in the preparation of financial statements from information provided by management and for which management accepts responsibility and other requirements.

State Audit Rule, 2.2.2.8 O NMAC provides that, “The Agency shall maintain adequate records....and provide complete, accurate and timely information to the IPA as requested...” The State Audit Rule also requires that financial statements be prepared in accordance with generally accepted accounting principles (GAAP).

Although the County’s books of account are maintained on the cash basis, Management must still maintain information necessary to prepare the GAAP financial statements to include accurate receivables and payables data. Proper recording of accruals is critical to ensuring financial statements are not misstated.

Receivables records are also particularly important for controlling grant revenues billed by the government, to ensure collection is not overlooked and monitored for timely receipt.

Effect – Information provided by Management, necessary for converting the cash basis books of account to accrual, was not complete or accurate and does not allow Management in the normal course of business to detect and correct misstatements in the financial statements on a timely basis.

Cause – Harding County does not have policies or procedures in place to record accrual information and personnel are generally not familiar with accrual accounting requirements for financial statements.

Recommendation – I recommend Management develop a record keeping system to provide year end accrual information necessary to convert cash basis books of account to the accrual basis, in order to facilitate the preparation of GAAP financial statements. For grant revenues, I recommend a permanent accounts receivable subsidiary ledger be developed to maintain control of grant receivables at all times. Because the Triadic system only accounts for property taxes receivable, subsidiary ledgers will necessarily have to be maintained off books. Maintenance of a subsidiary ledger, even if hand posted,

**STATE OF NEW MEXICO**  
**HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**Finding 2015-004** (Material weakness), Continued

will assist in providing information required at year end for accrual and will improve the accuracy of information to preclude misstatement.

Management's Response - Treasurer's Office is unaware of the \$139,244 figure that is listed as a 2016 revenue. The Treasurer doesn't feel it was mentioned or discussed with the auditor. Upon clarification of the figure at the audit exit, the Treasurer will research and correct the issue.

Treasurer's Office will research and study cash basis to accrual conversions, so they may complete the subsidiary ledgers recommended by the auditor.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-005 (Material Weakness)**

*Payroll and Related Liabilities*

Condition – Payroll liabilities for New Mexico withheld income taxes in the amount of \$2,500 were inadvertently paid in excess of the liability by a bank debit, which was not recorded in the books of account, causing cash in bank to be out of balance.

I noted that gross wages for the year recorded in the general ledger did not agree with wages reported on the forms 941, Employer's Quarterly Federal Tax Return, in the amount of \$1,117. Wages reported to PERA for employee's retirement reflected an unexplained under reporting difference of \$5,624. I also noted that County personnel were not familiar with the Voluntary Agreements for Coverage of State and Local Employees, Section 218 exclusion of the old age portion of FICA taxes for police officers. One employee was noted who was excluded without supporting documentation for not paying FICA taxes.

Reports prepared for the year end payroll accrual were only prepared as of June 27, 2015, rather than through June 30, 2015.

Criteria – Payroll expenses are generally one of the largest expenditures of any government; therefore, processes and procedures for payroll preparation must necessarily have strong internal controls as for any other disbursement in order to meet the requirements of 2.2.2.8 O NMAC to maintain adequate records and to ensure proper payment to employees as well as payroll reporting compliance. These controls should include a reconciliation of the payroll summary gross wages to the general ledger, to taxable wages for FICA and includable PERA wages, as well as an overall review of the payroll for reasonableness by a person other than the preparer. In addition, persons preparing payroll must be familiar with the payroll software, the Fair Labor Standards Act, the compliance requirements for reporting and remitting payroll taxes to federal and state tax authorities and compliance requirements for PERA reporting.

Effect –State income tax withholdings in the amount of \$2,500 was remitted to the Taxation and Revenue Department in excess of the liability which was not recorded in the general ledger resulting in an error in the bank reconciliation.

County Government is at risk that payroll could be improperly paid or recorded and that errors could occur in withholdings from employees and not be detected on a timely basis to preclude misstatement of the financial statements or improper payment to

County employees. The County is also at risk for compliance related payroll liabilities for improper payroll tax and PERA reporting, resulting in penalties and fines. Because payroll is one of the largest expenditures for County Government, liabilities and fines from improper reporting could be material.

Information to prepare the year-end payroll accruals did not include the last three days of the year resulting in misstatement of payroll expenditures.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-005** (Material Weakness), Continued

Cause – The County Finance Director suddenly resigned in April of 2015, and a new Finance Director was appointed and immediately assumed the duties and responsibilities for County bookkeeping and payroll preparation. The new County Finance Director was provided no training on the Triadic system for the complex payroll preparation or compliance training for federal and state payroll reporting or PERA reporting.

There was no other person in County Government who had been cross trained to prepare the payroll, in the absence of the Finance Director.

Recommendation – I recommend County Government provide training for the Finance Director as soon as possible on the Triadic system and in general payroll and PERA compliance reporting. I also recommend County Government cross train another person to perform payroll preparation in the absence of the Finance Director. Because of the complexity of payroll preparation, the material liability to which County Government could incur and the small size of the County staff, Management may wish to consider outsourcing the payroll to Triadic. Outsourcing would ensure payroll is prepared by knowledgeable professionals, would resolve the problem of a backup for payroll preparation and allow the County staff to focus on other issues.

Management's Response - The Finance Director had only been with Harding County for 3 weeks when this took place. The Finance Director was told to place the \$2,500 in Taxation & Revenue as a threshold. When the Finance Director went in to input amounts of the checks, it automatically took out the \$2,500, plus the amount that the Treasurer put in there. The new Finance Director is aware that it made the books not match. But lesson was learned, and the Finance Director took off the threshold amount and has learned to only put in the actual amount.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-006** (Material Weakness)

Revenue and Receivables

*Reconciliation of Delinquent Property Taxes Receivable*

Condition – Delinquent property taxes receivables are not reconciled on a monthly basis to the property tax subsidiary ledger.

The Triadic subsidiary ledger of delinquent property taxes receivable includes protested property taxes, paid by the protesting taxpayer as required by law, held in suspense in the amount of \$1,378,539 as a part of the total delinquent property taxes receivable of \$1,393,453, which leaves actual delinquent property taxes receivable of only \$14,914. The beginning balance of property tax receivable at June 30, 2014, was not in agreement with the subsidiary ledger in the amount of \$11,364.

The ten year “County Treasurer’s Property Tax Schedule” cannot be presented as it includes a distribution of taxes in suspense for every taxing district.

Criteria – In order to maintain “adequate accounting records” as required by 2.2.2.8 O NMAC, a monthly reconciliation of property taxes receivable is required to ensure the assessment, collection and adjustments are properly applied.

By definition, property taxes receivable can only include property taxes that have not been collected. Protested property taxes that have been paid, therefore, cannot be included as receivable and, of course, cannot be distributed to taxing districts, pending determination of the validity of the protest by the Courts.

2.2.2.12 D NMAC requires that the financial statements include the County Treasurer’s Property Tax Schedule.

Effect – The County is at risk that property tax assessment, adjustment and collections could be improperly recorded such that Management, in the normal course of business, would not timely detect, prevent or correct errors which could result in misstatement of the financial statements.

The delinquent property taxes receivable subsidiary ledger misstates delinquent property taxes receivable which includes property taxes held in suspense by \$1,378,539 or 98.9%.

Because the schedule of distribution of uncollected property taxes includes taxes held in suspense, it was not possible to distinguish between taxes belonging to the General Fund and Agency Funds for adjustment of the financial statements.

Government is unable to present the County Treasurer’s Property Tax Schedule as required by 2.2.2.12 D NMAC.

Cause – The County does not have internal control policies or procedures that require the reconciliation of delinquent property taxes receivable to preclude the possibility of misstatement.



**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-006** (Material Weakness), Continued

The Triadic system does not recognize property taxes held in suspense as collected. Rather, it includes taxes held in suspense as receivable property taxes. Triadic distributes collected property taxes to the appropriate County revenue account or taxing jurisdiction in the Agency Funds. Since the protested property taxes cannot be distributed, the system continues to carry taxes in suspense as receivable until resolution of the tax protest by the Courts.

Preparation of the County Treasurer's Property Tax Schedule is not possible, because the system treats taxes in suspense as receivable and improperly distributes the taxes to each taxing district for purposes of this report.

Recommendation – I recommend the preparation of a monthly reconciliation of delinquent property taxes receivable to ensure accuracy. The County probably will not be able to prepare the County Treasurer's Property Tax Schedule until resolution of the property taxes held in suspense because it is not supported by your accounting system. I recommend that taxes in suspense be treated as a reconciling item on the monthly reconciliation of property taxes receivable.

Management's Response - Treasurer was not aware that delinquent taxes needed to be reconciled on a monthly basis on a subsidiary ledger. Triadic generates a Tax Roll of all taxes to be collected, and Triadic also generates a monthly printout of delinquent tax to be collected, and a distribution of such delinquent taxes. The Treasurer's Office keeps a monthly file of delinquent taxes and shares a monthly copy with the Assessor's Office.

In 2013 and 2014 audits, the auditors produced a reconciliation of delinquent taxes from these printouts. The Treasurer's did not produce the reconciliation for the audit. If required of the Treasurer, the Treasurer's office will generate the report at each year end, as well as on a monthly basis.

If the auditor and Treasurer do not agree on a reconciliation balance, the Treasurer feels the difference is due to the fact that the Treasurer accounts for only **actual tax dollars** and not fees collected in tax bills.

The Treasurer's Office does complete a 10 year report on a monthly basis, which has a column that reflects the delinquent tax receivables. This is the Treasurer's version of tracking delinquent taxes.

The Treasurer's Office generates its own version of 10 year, separate of Triadic, because the Treasurer's office produces a more detail breakdown **of taxes only**. As far as the Treasurer knows, the reports match, although the Treasurer does not actually produce a monthly reconciliation. The Treasurer separates Oil and Gas, Interest and Penalty, Fees and State Cost as these are not ad valorem taxes. The Treasurer breaks down the school districts by OP, DS and CI. In my future reconciliations, the Treasurer understands the need to take into consideration any taxes paid in advance, taxes presumed paid, adds and deletes.

The Treasurer will re-visit with Triadic on the OXY Tax Suspense Funds. Currently, the Treasurer's office receipt the Oxy taxes into both a tax receipt and a miscellaneous receipt until the courts decide the fate of the monies.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-007** (Material Weakness) (Material Noncompliance)

Capital Assets

Condition – The subsidiary capital asset ledger was not maintained at all for fiscal year 2015. No asset additions or dispositions were recorded for the year.

Depreciation was not computed for fiscal year 2015.

As discussed in Finding 2015-001, the County purchased three road graders in fiscal year 2015 at a cost of \$716,250. As also discussed in Finding 2015-001, the present ownership of the road graders is unknown.

Expenditures for capital outlay expenditures in the amount of \$757,780 were misclassified in the general ledger and charged to other expense line items. Expenditures for non-capital outlay costs in the amount of \$6,571 were recorded as capital outlay expenditures.

A certified inventory of capital assets was not taken for the year and was not available for presentation to the auditors.

Criteria – Section 12-6-10 NMSA, 1978, requires agencies to conduct an annual physical inventory of movable chattels and equipment at the end of each year, certify the correctness, and provide the auditor a copy of the certified inventory. This section also requires agencies to capitalize only chattels and equipment costs of over \$5,000.

GASB Codification 1400 requires the reporting of capital assets in the financial statements and also recording of depreciation.

County officials have a duty to report, safeguard and provide stewardship over County assets for the benefit of the taxpayers.

Effect – County Government is not in compliance with the statutory requirement of conducting an annual inventory.

Financial statements are misstated for asset transactions not reflected and for the failure to record depreciation.

The ownership of three road graders purchased in fiscal year 2015 has not been determined as discussed in Finding 2015-001.

Cause – In April of 2015, the County Finance Director suddenly resigned and a new Finance Director was appointed. The previous Finance Director had not maintained the capital asset ledger for the year. Accounting records were in piles and had been left for the successor to locate and file. Finally, no training was provided to the new Finance Director on the use of the Triadic capital asset accounting system.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-007** (Material Weakness) (Material Noncompliance), continued

Finding 2015-001 discusses why the ownership of three road graders purchased in FY 2015 is not known.

Recommendation – I concur with the actions of the new Finance Director to request a physical inventory subsequent to year end from each department of County Government. I recommend the fiscal year 2015 capital asset transactions be recorded in the capital asset ledger and agreed to the physical inventory. Depreciation be should computed as of June 30, 2015, to correctly determine accumulated depreciation at that date, to preclude errors in future years. I also recommend the County investigate the ownership status of the three road graders purchased in the current year. Finally, I recommend the County adopt a policy to require an annual physical inventory and the appointment of a County official to be responsible for the annual physical inventory.

Management's Response - The new Finance Director started the latter part of April, which had no training, nor anytime to input the inventory for FY 14-15. The new Finance Director has already started gathering inventory list and inputting into the Triadic system. Triadic management was here on Dec 22<sup>nd</sup>, and 23<sup>rd</sup>. to assist.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-008** (Other Noncompliance)

Travel and Per Diem

Condition – My examination of five travel and per diem expenditures disclosed the following:

- Registration fee was in the amount of \$175 was reimbursed without a receipt;
- \$90 was reimbursed for partial day per diem which is limited to \$22.50 by policy;
- A travel advance was paid to an employee in the total amount of \$255 (\$204+\$51) for 100% of per diem.

Criteria – County Resolution No. 2011-46 sets forth the County per diem policy which requires receipts for reimbursement over \$30, provides for a maximum of \$22.50 for partial days travel and provides for advances of 80% for per diem costs with the remaining 20% paid upon return.

Effect – The County is not in compliance with its travel and per diem policy.

Cause – The policy is overly complex and confusing to employees because it provides for both actual and per diem reimbursement. County personnel are confused by the policy and try to combine both per diem and actual expense reimbursement.

Recommendation – I recommend the County consider amending the policy to only provide for per diem reimbursement. Employees can more easily understand the per diem method and do not have to have receipts. More importantly, the Finance Director, the sole bookkeeper for the County, does not have the additional time to compile actual expense and could more easily administer the per diem method.

Management's Response - The new Finance Director finally located the Policy for Travel & Per Diem. She has understanding of how it works. The Finance Director plans on having a meeting with the Commissioners and asking them if we need to amend the Travel & Per Diem Policy hopefully by June, 2016. Thereafter, it will become effective July 1, 2016.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-009** (Material Weakness)

Lack of Policies, Procedures and Internal Control

*Grant Accounting and Compliance*

Condition – County Government does not have a process of monitoring and controlling reimbursable type grants such as DWI, Senior Program, Road Co-op, etc. My audit procedures disclosed that only the person directly responsible for a grant was even aware of the grant. There is little communication, if any, particularly between the grant administrator and the Finance Director to ensure the proper recording of receivables for billing or agreement of grant expenses reported to grantors with the general ledger. I noted from inquiry that the County Road Department has not completed road projects for which funding had been received in prior years; however, there were no documents to examine regarding the status of these projects.

Criteria – Virtually all grant type programs include requirements for using the proceeds for only the intended purpose of the grant, timelines for submitting reports, timelines for use of the grant proceeds and other special requirements. Grants may also include provisions requiring return of grant funds to the grantor for violation of the grant agreement. It is, therefore, critical that governments have policies and procedures in place to ensure adherence to the grant agreement requirements. Proper internal controls require some centralization of recordkeeping, a timeline calendar as well as monitoring and oversight. *Government Auditing Standards* paragraph 2.11 provides "... Internal control includes ... controlling program operations ... and monitoring program performance."

Effect – County Government is at risk for violation of grant agreements that may not be prevented or detected by Management on a timely basis, which could result in liability to the County. Because of the decentralized process for handling grants and a lack of communication between the Finance Director and the grant administrator, County Government is at risk for misstatement of the financial statements, particularly for recording grant receivables billed to grantors for reimbursement and to ensure expenditures reported to the grantors agrees to the general ledger, as well as recording grant receivables at year end for financial statement presentation.

Cause – The County has not adopted policies for the information and communications element of internal control to coordinate accounting and program management between the Finance Director and the program administrator, to ensure the proper financial reporting of grant activities to the grantor or monitoring of program requirements. County personnel have not been trained in grant administration.

Recommendation – I recommend the County develop a policy for administering grant programs which requires, as a minimum, that all County grants to be submitted to the Finance Director for review and recording of grant transactions. All reports prepared for submission to grantors should be reviewed and initialed by someone knowledgeable of grant requirements, other than the preparer, to ensure reported expenditures agree to the general ledger. Finally, all County personnel directly responsible or responsible for monitoring should receive training for grant administration.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-009** (Material Weakness), Continued

Management's Response - The Treasurer's office was unable to help with ICIP and Grant finding, and the Treasurer does not feel this is totally her area, other than receipting and reporting the funds as they are received. The Treasurer believe this falls in the hands of the Commission Assistant. The Treasurer does not believe the County of Harding had any ICIP projects to report on, or would have had the figures budgeted as revenues.

The Treasurer cannot produce figures or paper work for projects that do not belong to the County of Harding. The Treasurer feels that the ICIP's in question did not belong to the County of Harding, but possibly to entities within the county.

The Treasurer just learned, the County of Harding is anticipating and will budget for roofing at the community building in FY15/16, in the amount \$110,000. The Treasurer feels the Finance Director and Commission Assistant both should be aware of ICIP projects, grants and large projects as a comfortable cross reference for all of us involved.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-010** (Other Noncompliance)

Financial Reporting

*Special Revenue Funds Authority*

Condition – The County was not able to disclose the authority for all special revenue funds created.

Criteria – 2.2.210 L NMAC requires the authority for all special revenues funds to be included in the financial statements by statute number, resolution, or other authority.

Effect – County Government is not in compliance with the reporting requirement.

Cause – County personnel were unaware of the requirement for reporting authority for special revenue funds.

Recommendation – I recommend that authority for all special revenue funds be identified when the County budget is prepared.

Management's Response – The references will be researched for inclusion in next year's audit.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2015-011** (Material Weakness and Material Noncompliance)

Budgetary Compliance

Condition – The original budget approved by the Department of Finance and Administration and adopted by the County Commission does not agree to the budget keyed into the Triadic system used to monitor budgetary control in the amount of \$162,457.

Criteria - Section 6-6-6 NMSA, 1978, requires local public bodies to adhere to the legally adopted budget. In order to ensure budgetary compliance to process for monitoring the budget must include the correct budget amounts. Reconciliation of the legally adopted budget into the Triadic system used to monitor the budget is critical to ensuring budgetary compliance.

Effect – County Government is at risk of exceeding the authorized budget because the budget amounts reflected in the Triadic system may not be correct. Additionally, as budgetary comparison is a required part of the financial statements, the County is at risk of misstatement.

Cause – The County does not have a process requiring reconciliation of the legally adopted budget into the Triadic system or a review by a second person.

Recommendation – I recommend County Government adopt a policy requiring the reconciliation of the legally adopted budget with the amounts keyed into the Triadic system and that it be reviewed for correctness by another person.

Management's Response - Ensuring that the budget amount approved and what is placed in the Triadic system is the same, is essential to controlling the budget spending. Therefore, the Finance Director will have someone else verify that they match. Even though the Treasurer checked the FY 14-15 at least 5 times.



**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**Finding 2015-012** (Other Noncompliance)

Revenue and Receivables

*Allocation of Interest Income*

Condition – 99.8% of interest income from earnings of the County's pooled bank account is allocated to the General Fund, although the General Fund's ownership ratio in the pooled account at year end was only 27.9%.

Criteria - Special Revenue and Capital Projects Funds are legally restricted for special purposes. The resources of these funds should participate pro rata with all funds for allocation of interest income earnings.

Effect - Interest earnings that should be allocated to the fund generating the revenue are allocated to the general fund.

Cause – An allocation method has not been developed to allocate the interest earnings.

Recommendation - I recommend Management develop an allocation method to properly allocate each fund its share of interest income. One method of making the allocation would be to use an Excel schedule to determine the average of each fund's cash balance each month and develop a ratio for the allocation.

Management's Response - As Treasurer, the Treasurer's office currently receipts interest income into to OXY and General Funds. Interest Income accrued on OXY accounts is capitalized back into the OXY CD. All other interest income is receipted into the General Fund.

This has been the approved method for Harding County for years. It has been questioned and discussed with prior Boards, and approved.

Before the Treasurer changes this approved method of receipting interest Income, it will first be discussed with the Board of County Commission.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**PRIOR YEAR FINDINGS**

**FINDING 2013-003** (Material Noncompliance)

Late Audit Report

Condition – The audit report was submitted to the State Auditor after the required due date.

The County made no progress in complying with the State Auditor Rule filing date requirements, due to factors experienced in fiscal year 2015, as described in Cause below, which prevented the County from maintaining its financial records in a manner to timely file its financial statements.

Criteria – 2.2.2.9 NMAC requires that county audits be submitted by November 1, 2015.

Effect - County Government is not in compliance with the State Auditor Rule requiring submission of the audit report by November 1, 2015.

Cause – The County Finance Director suddenly resigned in April of 2015, and a new Finance Director was immediately appointed. The new Finance Director had no training in governmental accounting or in the complex application of the County's software, Triadic. She was greeted with a large table of unfiled documents for the year to sort through and to attempt to file to be available for audit. County Government entered into a very complex transaction prior to her arrival, as more fully discussed in Finding 2015-001 of which no one in County Government understood and for which documents of the transaction have not been identified. Other documents as well were very difficult for County personnel to find. Additionally, the County encountered numerous accounting problems as discussed in this report, from the general ledger not being in balance to unreconciled cash balances. Initial trial balances provided to the auditors from the Triadic system, although not the fault of the County, were for a prior year.

Recommendation – I recommend the County Commission commit additional resources to its record keeping function which includes providing training on the Triadic system by all personnel who use it, including another person who can serve as a backup for the Finance Director, if necessary. Additionally, training should also be provided for procurement, payroll administration, general ledger accounting, capital asset accounting and grant administration as well as basic accounting and financial reporting functions. Finally, the adoption of policies and procedures as discussed elsewhere in the report to strengthen internal controls and oversight. The adoption of these measures will assist County Government in ensuring the timely submission of the audit report.

Management's response - The Finance Director believes that good management and organizational skills are essential in order to be in compliance with the State Auditor to complete the annual audits. Though the Finance Director also believes that the auditor and the Finance Director and Treasurer's office works closely together on accomplishing the task by the deadline.

The Treasurer feels that this audit FY 14-15 had plenty of time to complete the audit by the deadline of November 1, 2015. The Finance Director and the Treasurer's office began inputting documents into the portal on August 6<sup>th</sup> and feels that the auditor and his crew should have been here in our offices for a longer period of time, instead of just two days, which were October 22<sup>nd</sup> and 23<sup>rd</sup>., which only gave us 5 working days to complete and have it in the State Auditor's office

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**FINDING 2014-001** (Material Weakness)

Bank Reconciliation

Condition - At June 30, 2015, the bank reconciliation reflected the bank balance as \$2,115 less than the cash balance reflected in the books of account.

The County has made progress from the prior year finding as bank reconciliations were prepared for the current year.

Criteria – 2.20.5.1.8, NMAC, 1978, requires cash account records be timely reconciled each month. The reconciliation process identifies the differences in recorded transactions and transactions reflected in the bank statement. The differences must be adjusted to the correct balance.

Cause – In May of 2015, an electronic payment in the amount of \$2,500 was inadvertently made to the NM Taxation and Revenue Department for withheld income taxes through the Taxpayer Access Point (TAP). Because the payment was an electronic transaction paid through the bank, it was not recorded in the cash basis Triadic system, resulting in the difference between the bank balance and the balance per the books of account. Although County personnel subsequently identified the error, adjustment of the cash basis Triadic system was not possible. The overpayment was applied to subsequent balances and no further payments were made through TAP; however, other unidentified errors occurred before year end, resulting in the difference of \$2,115. The other differences have not been identified.

Recommendation – I recommend Management carefully review all electronic payments made by the County, which generally are payroll related. Any charges to the bank account that are not recorded in the Triadic system will result in differences. Once the unrecorded electronic payments are identified, Management should be able to reconcile the bank account.

Management's Response - To reconcile the difference of \$2,115, Harding County will review all electronic bank payments made by the county, against all entries entered into the Triadic system.

**STATE OF NEW MEXICO  
HARDING COUNTY**

Schedule of Findings and Responses  
June 30, 2015

**STATUS OF PRIOR YEAR AUDIT FINDINGS**

<u>Finding</u>	<u>Current Status</u>
2013-003 Late Audit Report	Repeated in current year
2014-001 Bank Reconciliation	Repeated and modified in current year
2014-002 Unauthorized Cash Account	Resolved
2014-003 Budget Compliance	Resolved

**OTHER DISCLOSURES**

Auditor Prepared Financial Statements

The firm of R Kelly McFarland, CPA PC prepared the GAAP-basis financial statements and disclosures of Harding County from the books of account and records provided by Management. The responsibility for the financial statements remains with Harding County.

Exit Conference

An exit conference was held on January 7, 2016, with the Board of County Commissioners in Executive Session, pursuant to the Open Meetings Act. The following individuals in attendance were:

Harold R. Mackey, Commissioner, Vice Chairman  
CJ Garrison, Chief Deputy Clerk  
Evangeline Garrison, Finance Director  
Felecia Esquibel, County Treasurer  
Christine Trujillo, Chief Deputy Treasurer  
Gene Martinez, Road Superintendent  
Debra Garcia, Chief Deputy Assessor  
Robert E. Aragon, Commissioner, Member  
Rebecca K. Smith, Commissioner, Chairman  
Pete Callahan- by phone, County Assessor  
Barbara Shaw, County Clerk  
R. Kelly McFarland, CPA