

STATE OF NEW MEXICO
HIDALGO COUNTY
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015 AND
INDEPENDENT AUDITORS' REPORT

STATE OF NEW MEXICO
HIDALGO COUNTY
FOR THE YEAR ENDED JUNE 30, 2015
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STATE OF NEW MEXICO, HIDALGO COUNTY
OFFICIAL ROSTER
JUNE 30, 2015

Elected Officials

Darr Shannon	Commission Chair
Marianne Stewart	Commissioner
Richard Chaires	Commissioner
Tyler Massey	County Treasurer
Carmen Acosta	County Probate Judge
Jody Hatch	County Assessor
Melissa DeLaGarza	County Clerk
Warren Walter	County Sheriff

Administrative Officials

Bob Hill	County Manager
Tisha Green	Assistant to the County Manager
Priscilla Maxwell	County Dispatch Supervisor
Loretta Ward	County Detention Supervisor
Tommy Dimas	County Transfer Station Supervisor
Clarence Rudiger	County Road Supervisor
David Whipple	County Fire Marshall/Ambulance Supervisor
Roland Lassiter	Detention Administrator



Beasley, Mitchell & Co.

Certified Public Accountants

Donald A. Beasley, CPA, Partner
Christine Wright, CPA, Partner
Beth Fant, EA, Partner
Brad Beasley, CPA, Partner

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
and the Board of Commissioners
County of Hidalgo
Lordsburg, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the County of Hidalgo (the "County"), as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons for the nonmajor funds presented as supplementary information, as defined by the Government 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 misstatements due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2015, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the managements' discussion and analysis and budgetary comparison on pages 5 through 18, 30 through 32, and 79 through 103 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 1, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.


Beasley, Mitchell & Co., LLP
Las Cruces, New Mexico
November 1, 2015

STATE OF NEW MEXICO, HIDALGO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

This section of County of Hidalgo's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2015. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the County of Hidalgo exceeded its liabilities at the close of the most recent fiscal year end by \$17,526,410 (*net position*). Of this amount, \$2,833,142 (*unrestricted net position*) may be used to meet the government's ongoing, obligations to citizens and creditors.
- The government's total net position increased by \$494,274 during the fiscal year. The majority of this is due to an increase in grant revenue when compared to the year ended June 30, 2014.
- As of June 30, 2015, the County's governmental funds reported combined ending fund balances of \$6,941,419.
- At the close of the current fiscal year, unassigned fund balance of the general fund was \$3,798,587.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the County's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses.
- Fiduciary fund statements provide information about the financial relationships which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

STATE OF NEW MEXICO, HIDALGO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Major Features of the County				
			Financial Statements	
<i>Types of Statements</i>	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County (except fiduciary funds) and the Agency's component units	The activities of the County that are not proprietary or fiduciary	Activities that the County operates similar to private businesses: Ambulance and C & C Transfer	Instances in which the County is the trustee or agent for someone else's resources
Required financial statements	Statement of net position	Balance Sheet	Statement of net position	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures & changes in fund balances	Statement of revenues, expenses and changes in fund net position	Statement of changes in fiduciary net position
			Statement of cash flows	
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus

Government-wide Statements

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

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

STATE OF NEW MEXICO, HIDALGO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

Government-wide Statements (Continued)

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County of Hidalgo that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County of Hidalgo include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the County include ambulance services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Hidalgo, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Hidalgo can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the County's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

STATE OF NEW MEXICO, HIDALGO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

Governmental Funds (Continued)

The County of Hidalgo maintains thirty one individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Fund, Detention Center Fund, and the Grants Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County of Hidalgo adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund, Road Fund, Detention Center Fund, and the Grants Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental fund types include budgetary comparison data.

Proprietary Funds

Proprietary funds are generally used to account for services for which the County charges customers - either outside customers or internal units or departments of the County. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The County maintains two proprietary funds and no component unit. The proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses a proprietary fund to account for the Ambulance operations of the County. The proprietary fund is considered to be a major fund of the County.

Fiduciary Funds

Fiduciary funds are used to account for services for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County of Hidalgo's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County of Hidalgo fiduciary funds account for the collection of property taxes and special fees and their remittance to other governmental agencies. Further, the County has two agency funds that collect money from inmates. One is held until the inmate release, or may be used by the inmate in commissary. The second one holds bonding money.

STATE OF NEW MEXICO, HIDALGO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40 through 65 of this report.

Combining Statements

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 70 through 78 of this report.

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County of Hidalgo, net position exceeded liabilities by \$17,526,410 at the close of the current fiscal year.

The largest portion of the County of Hidalgo's net position represent the County's investment of \$11,385,979 in capital assets (e.g., land improvements, buildings, infrastructure, and machinery and equipment), less any related outstanding debt used to acquire those assets. The County of Hidalgo uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County of Hidalgo's net investment in its capital assets is reported, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the County of Hidalgo's net position represents resources that are subject to restrictions. The restrictions relate to covenants provided by the County's long-term debt issuance and capital projects. The remaining balance of unrestricted net position of \$2,833,142 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County of Hidalgo is able to report positive balances in all three categories of net position, for the government as a whole as well as for the business-type activities.

Analysis of Changes in Net Position

During the current fiscal year, the County's net position in governmental and business-type activities decreased by \$494,274. These decreases are explained in the governmental activities discussion.

STATE OF NEW MEXICO, HIDALGO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

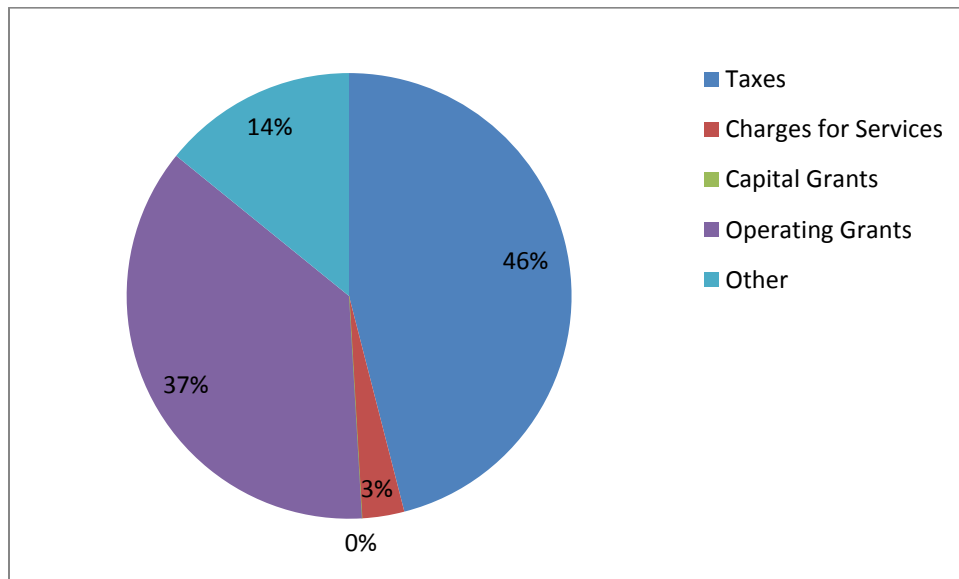
Governmental Activities

Governmental activities increased the County of Hidalgo's net position by \$326,496. Property taxes and gross receipts taxes contributed \$3,430,203 for covering the \$7,353,752 net program expense associated with governmental activities.

Governmental revenues, consisting mostly of taxes and grants, are not directly associated with any government function. The total revenues decreased \$2,511,394.

Total revenues from governmental activities are summarized below. For fiscal year 2014-2015, Local and State taxes made up 46% of the total general government revenues compared to 50% of the revenues in the prior year.

Revenue by Source – General Government



Business-Type Activities

Business-type activities decreased the County's net position by \$255,579 before transfers of \$423,357 in from the general fund, compared to the prior year's decrease of \$257,947 before transfers of \$172,595 from the general fund. The operating revenue had minor changes when compared to the prior year.

STATE OF NEW MEXICO, HIDALGO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SUMMARY OF NET POSITION

	Governmental Activities		Business-Type Activities		Totals		Total Percent Change
	2015	2014	2015	2014	2015	2014	2014-2015
ASSETS							
Current and other assets	\$ 7,389,025	\$ 7,912,081	\$ 328,878	\$ 60,159	\$ 7,717,903	\$ 7,972,240	(3)%
Capital assets, net of accumulated depreciation	<u>14,722,115</u>	<u>15,365,635</u>	<u>698,950</u>	<u>309,415</u>	<u>15,421,065</u>	<u>15,675,050</u>	(2)%
Total assets	22,111,140	23,277,716	1,027,828	369,574	23,138,968	23,647,290	(2)%
Deferred outflows							
Deferred outflows	<u>\$ 147,082</u>	<u>\$ -</u>	<u>\$ 24,831</u>	<u>\$ -</u>	<u>\$ 171,913</u>	<u>\$ -</u>	100 %
Total assets and deferred outflows	<u>\$22,258,222</u>	<u>\$23,277,716</u>	<u>\$1,052,659</u>	<u>\$ 369,574</u>	<u>\$3,310,881</u>	<u>\$23,647,290</u>	<u>\$ 98</u>
LIABILITIES							
Current and other liabilities	\$ 207,949	\$ 1,065,223	\$ 20,727	\$ 22,292	\$ 228,676	\$ 1,087,515	(79)%
Long-term liabilities	<u>4,627,961</u>	<u>1,597,547</u>	<u>248,319</u>	<u>-</u>	<u>4,876,280</u>	<u>1,597,547</u>	205 %
Total liabilities	<u>4,835,910</u>	<u>2,662,770</u>	<u>269,046</u>	<u>22,292</u>	<u>5,104,956</u>	<u>2,685,062</u>	90 %
Deferred Inflows							
Deferred inflows - change in assumption	30,062	-	5,075	\$ -	\$ 35,137	\$ -	100 %
Deferred inflows - Net difference between projected and actual investment earnings	<u>551,304</u>	<u>-</u>	<u>93,074</u>	<u>-</u>	<u>644,378</u>	<u>-</u>	100
Total deferred inflows	<u>581,366</u>	<u>-</u>	<u>98,149</u>	<u>-</u>	<u>679,515</u>	<u>\$ -</u>	100 %
Total liabilities and deferred inflows	5,417,276	2,662,770	367,195	22,292	5,784,471	2,685,062	115 %

STATE OF NEW MEXICO, HIDALGO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SUMMARY OF NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>		<u>Total</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>Percent</u>
NET POSITION							Change
Net investments in capital assets	11,385,979	13,707,240	-	309,415	11,385,979	14,016,655	(19)%
Restricted	2,621,825	3,656,811	-	-	2,621,825	3,656,811	(28)%
Unrestricted	<u>2,833,142</u>	<u>3,250,895</u>	<u>-</u>	<u>37,867</u>	<u>2,833,142</u>	<u>3,288,762</u>	<u>(14)%</u>
Total net position	<u>16,840,946</u>	<u>20,614,946</u>	<u>-</u>	<u>347,282</u>	<u>16,840,946</u>	<u>20,962,228</u>	<u>(20)%</u>
Total liabilities and net position	<u>\$22,258,222</u>	<u>\$23,277,716</u>	<u>\$ 367,195</u>	<u>\$ 369,574</u>	<u>\$21,945,902</u>	<u>\$23,647,290</u>	<u>(7)%</u>

STATE OF NEW MEXICO, HIDALGO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Totals		Total Percent Change
	2015	2014	2015	2014	2015	2014	2014-2015
REVENUES							
Program revenues:							
Charges for services	\$ 249,308	\$ 535,997	\$ 535,891	\$ 254,219	\$ 785,199	\$ 790,216	(1)%
Operating grants and contributions	2,978,286	347,082	-	-	2,978,286	347,082	758 %
Capital grants and contributions	-	1,373,446	-	-	-	1,373,446	(100)%
General revenues:							
Taxes	3,758,240	2,807,900	-	-	3,758,240	2,807,900	34 %
Other income	1,082,090	526,361	-	-	1,082,090	526,361	106 %
Investment income	35,681	1,425	-	-	35,681	1,425	2,404 %
	<u>8,103,605</u>	<u>5,592,211</u>	<u>535,891</u>	<u>254,219</u>	<u>8,639,496</u>	<u>5,846,430</u>	<u>48 %</u>
Total revenues							
EXPENSES							
General government	2,734,021	1,353,734	-	-	2,734,021	1,353,734	102 %
Public safety	3,966,823	3,288,068	-	-	3,966,823	3,288,068	21 %
Public works	85,361	500,492	-	-	85,361	500,492	(83)%
Health and welfare	264,420	626,378	-	-	264,420	626,378	(58)%
Culture and recreation	166,878	157,658	-	-	166,878	157,658	6 %
Proprietary expenses	-	-	791,470	512,166	791,470	512,166	55 %
Interest on long-term debt	136,249	-	-	-	-	-	-
	<u>7,353,752</u>	<u>5,926,330</u>	<u>791,470</u>	<u>512,166</u>	<u>8,008,973</u>	<u>6,438,496</u>	<u>24 %</u>
Total expenses							
Changes in net position before transfers	749,853	(334,119)	(255,579)	(257,947)	630,523	(592,066)	(206)%

STATE OF NEW MEXICO, HIDALGO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Totals		Total Percent Change
	2015	2014	2015	2014	2015	2014	2014-2015
Transfers	<u>(423,357)</u>	<u>(172,595)</u>	<u>423,357</u>	<u>172,595</u>	<u>-</u>	<u>-</u>	<u>- %</u>
Change in net position	<u>326,496</u>	<u>(506,714)</u>	<u>167,778</u>	<u>(85,352)</u>	<u>630,523</u>	<u>(592,066)</u>	<u>(206)%</u>
Net position - beginning	20,614,946	21,121,660	347,282	432,634	20,962,228	21,554,294	(3)%
Restatements	<u>\$(4,100,496)</u>	<u>\$ -</u>	<u>\$ 22,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net position - beginning as restated	<u>\$16,514,450</u>	<u>\$ -</u>	<u>\$ 369,814</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net position - ending	<u>\$16,840,946</u>	<u>\$20,614,946</u>	<u>\$ 537,592</u>	<u>\$ 347,282</u>	<u>\$21,592,751</u>	<u>\$20,962,228</u>	<u>3 %</u>

STATE OF NEW MEXICO, HIDALGO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

FINANCIAL ANALYSIS OF THE COUNTY OF HIDALGO AS A WHOLE

As noted earlier, the County of Hidalgo uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the County of Hidalgo's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County of Hidalgo's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the County include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

As of the end of the current fiscal year, the County of Hidalgo's governmental funds reported combined ending fund balances of \$6,941,419, an increase of \$409,236 from change in fund balance and decrease of \$263,877 as a result of prior period adjustments as discussed in the notes. The net change was an increase of \$145,359 in comparison with the prior year. The increase is primarily due to the increase in grant revenue and property tax revenue. Approximately 62% of this total amount, \$4,319,594 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the County of Hidalgo. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,798,587.

The Road Fund has a total fund balance of \$521,007, all of which is assigned.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position for Ambulance were \$523,405 and \$162,059 for C & C Transfer. The total increase in net position for the proprietary fund was \$85,609.

Fiduciary Funds

The County maintains fiduciary funds for the assets of various agency funds. Changes to the fiduciary funds were immaterial for the fiscal year.

STATE OF NEW MEXICO, HIDALGO COUNTY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2015

Budgetary Highlights

County budgets reflect the same pattern as seen in the revenue and expenditures of the County. The State of New Mexico budget process is defined under State law and regulation. To enhance the process of developing a budget at the county level, the County of Hidalgo utilizes goals and objectives defined by the County Commissioners, community input meetings, long-term plans and input from various staff groups to develop the County budget. The County priorities are well defined through out this process.

GASB Statement No. 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

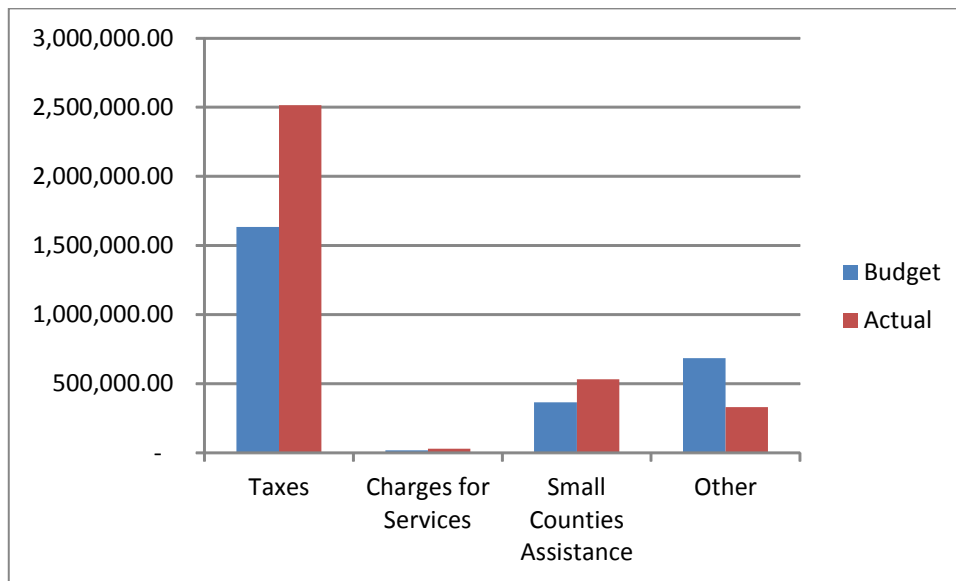
General Fund Budgetary Highlights

The General Fund accounts for all of the general services provided by the County of Hidalgo.

Change in Cash and Investments

The following chart demonstrates a summary of the major revenue sources received compared to the approved budget for the General Fund.

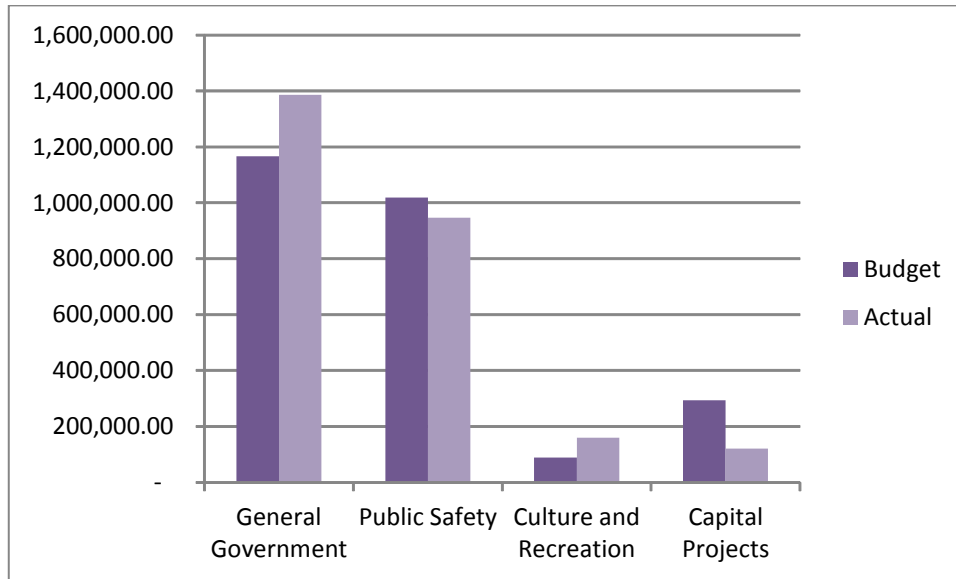
Budget and Actual Revenue by Source – General Fund



General government expenditures include all administrative functions of the County which include: County Commissioners, Administration, Finance, Maintenance, Public Safety, Road Repairs, Health and Welfare, and Culture and Recreation. The following chart shows a summary of functional categories for expenditures:

STATE OF NEW MEXICO, HIDALGO COUNTY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2015

Budget and Actual Expenditures by Source – General Fund



Capital Asset and Debt Administration

Capital Assets

The County of Hidalgo's capital assets for its governmental and business-type activities as of June 30, 2015 amount to \$15,421,065 (net of accumulated depreciation). Capital assets include land improvements, buildings, machinery, equipment, and infrastructure. The total increase in the County's capital assets (excluding accumulated depreciation) for the current fiscal year was \$224,778 for governmental activities and \$44,022 for business type. Equipment costing \$224,778 was purchased for the County. The deletions in the governmental funds consisted of the disposal of obsolete equipment costing \$22,800.

STATE OF NEW MEXICO, HIDALGO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

The following is a schedule showing the Net Value of the Capital Assets and the application of the principal balances of the notes as of the fiscal year end:

**Capital Assets, Net of Depreciation
June 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Land and Construction in Progress	\$ 9,436,238	\$ -	\$ 9,436,238
Buildings	2,910,404	-	2,910,404
Improvements and Infrastructure	564,382	698,950	1,263,332
Machinery and Equipment	<u>1,811,091</u>	<u>-</u>	<u>1,811,091</u>
Capital Assets, Net of Accumulated Depreciation	<u>\$ 14,722,115</u>	<u>\$ 698,950</u>	<u>\$ 15,421,065</u>

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 5 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

The Statement of Net Position shows the Investment in Capital Assets-Governmental Funds in the amount of \$11,385,979. This investment includes the land, buildings, land and building improvements, equipment, construction in progress, and all applicable debt service.

The County's loans decreased \$126,397 in governmental funds and \$14,778 in business type, through principal payments. Additional information on the County's debt can be found in Note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Inflationary trends in the region compare favorably to national indices.
- The re-opening of the Morenci Mine has made a significant impact of the economy of the County of Hidalgo.

The above factors were considered in preparing the County of Hidalgo's budget for the 2015 fiscal year.

CONTACTING THE COUNTY OF HIDALGO COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County of Hidalgo's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Hidalgo Administration, County of Hidalgo, 300 South Shakespeare, Lordsburg, New Mexico, 88045.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 4,073,172	\$ 207,271	\$ 4,280,443
Accounts receivable	-	121,607	121,607
Taxes receivable	436,179	-	436,179
Other receivables	189,483	-	189,483
Restricted funds	<u>2,690,191</u>	<u>-</u>	<u>2,690,191</u>
Total current assets	7,389,025	328,878	7,717,903
NON-CURRENT ASSETS:			
Capital assets	25,149,262	1,474,731	26,623,993
Less: accumulated depreciation	<u>(10,427,147)</u>	<u>(775,781)</u>	<u>(11,202,928)</u>
Total non-current assets	<u>14,722,115</u>	<u>698,950</u>	<u>15,421,065</u>
Total assets	22,111,140	1,027,828	23,138,968
Deferred outflows			
Deferred outflows	<u>147,082</u>	<u>24,831</u>	<u>171,913</u>
Total Assets and Deferred Outflows	<u>\$ 22,258,222</u>	<u>\$ 1,052,659</u>	<u>\$ 23,310,881</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION			
CURRENT LIABILITIES:			
Accounts payable	\$ 4,280	\$ 62	\$ 4,342
Accrued salaries	36,896	8,041	44,937
Compensated absences	<u>28,708</u>	<u>12,624</u>	<u>41,332</u>
Total current liabilities	<u>69,884</u>	<u>20,727</u>	<u>90,611</u>
NON-CURRENT LIABILITIES:			
Due within one year	138,065	-	138,065
Due in more than one year	3,198,071	-	3,198,071
Accrued compensated absences	2,829	7,393	10,222
Net pension liability	<u>1,427,061</u>	<u>240,926</u>	<u>1,667,987</u>
Total non-current liabilities	<u>4,766,026</u>	<u>248,319</u>	<u>5,014,345</u>
Total liabilities	4,835,910	269,046	5,104,956
DEFERRED INFLOWS			
Deferred inflows - change in assumption	30,062	5,075	35,137
Deferred inflows - Net difference between projected and actual investment earnings	<u>551,304</u>	<u>93,074</u>	<u>644,378</u>
Total deferred inflows	<u>581,366</u>	<u>98,149</u>	<u>679,515</u>
Total liabilities and deferred inflows	5,417,276	367,195	5,784,471
NET POSITION			
Net investment in capital assets	11,385,979	-	11,385,979
Restricted for:			
Capital projects	247,120	-	247,120
Special revenue funds	2,374,705	685,464	3,060,169
Unrestricted	<u>2,833,142</u>	<u>-</u>	<u>2,833,142</u>
Total net position	<u>16,840,946</u>	<u>685,464</u>	<u>17,526,410</u>
Total liabilities, deferred inflows and net position	<u>\$ 22,258,222</u>	<u>\$ 1,052,659</u>	<u>\$ 23,310,881</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	Expenses	Program			Net (Expenses) Revenue and changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 2,734,021	\$ 208,220	\$ 1,708,724	\$ -	\$ (817,077)	\$ -	\$ (817,077)
Public safety	3,966,823	41,088	564,807	-	(3,360,928)	-	(3,360,928)
Public works	85,361	-	704,755	-	619,394	-	619,394
Health and welfare	264,420	-	-	-	(264,420)	-	(264,420)
Culture and recreation	166,878	-	-	-	(166,878)	-	(166,878)
Interest on long-term debt	<u>136,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(136,249)</u>	<u>-</u>	<u>(136,249)</u>
Total governmental activities	7,353,752	249,308	2,978,286	-	(4,126,158)	-	(4,126,158)
Business-Type activities							
Ambulance service	471,552	340,053	-	-	-	(131,499)	(131,499)
C & C Transfer	<u>319,918</u>	<u>195,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(124,080)</u>	<u>(124,080)</u>
Total business-type activities	<u>791,470</u>	<u>535,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(255,579)</u>	<u>(255,579)</u>
Total primary government	<u>\$ 8,145,222</u>	<u>\$ 785,199</u>	<u>\$ 2,978,286</u>	<u>\$ -</u>	<u>(4,126,158)</u>	<u>(255,579)</u>	<u>(4,381,737)</u>
General revenues:							
Taxes							
Property taxes					2,891,715	-	2,891,715
Motor vehicle taxes					209,767	-	209,767
Gasoline taxes					118,270	-	118,270
Gross receipts taxes					538,488	-	538,488
State shared assistance							
Small counties assistance					579,612	-	579,612
Intergovernmental income					99,570	-	99,570
License and fees					1,575	-	1,575
Investment income					35,681	-	35,681
Miscellaneous					401,333	-	401,333
Transfers					<u>(423,357)</u>	<u>423,357</u>	<u>-</u>
Total general revenues					<u>4,452,654</u>	<u>423,357</u>	<u>4,876,011</u>
Change in net position					326,496	167,778	494,274
Net position - beginning as previously stated (Ambulance Fund)					20,614,946	347,282	20,962,228
Net position - beginning as previously stated (C & C Transfer Fund)					-	147,872	147,872
Restatements					<u>(4,100,496)</u>	<u>22,532</u>	<u>(4,077,964)</u>
Net position beginning as restated					<u>16,514,450</u>	<u>517,686</u>	<u>17,032,136</u>
Net position- ending					<u>\$ 16,840,946</u>	<u>\$ 685,464</u>	<u>\$ 17,526,410</u>

See independent auditors' report and accompanying notes to financial statements

GOVERNMENTAL FUND FINANCIAL STATEMENTS

STATE OF NEW MEXICO, HIDALGO COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Road Fund	Grants Fund	Detention Fund	Total Non- Major Funds	Total Funds
ASSETS						
Assets						
Cash and cash equivalents	\$ 1,422,295	\$ 235,264	\$ 164,002	\$ 164,892	\$ 2,086,719	\$ 4,073,172
Taxes receivable	383,535	22,677	-	5,457	24,510	436,179
Other receivables	-	-	71,235	94,048	24,200	189,483
Restricted funds	<u>2,421,984</u>	<u>266,280</u>	<u>-</u>	<u>-</u>	<u>1,927</u>	<u>2,690,191</u>
Total assets	<u>\$ 4,227,814</u>	<u>\$ 524,221</u>	<u>\$ 235,237</u>	<u>\$ 264,397</u>	<u>\$ 2,137,356</u>	<u>\$ 7,389,025</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ 571	\$ 3,104	\$ 72	\$ 533	\$ 4,280
Accrued liabilities	22,797	2,643	1,763	8,955	738	36,896
Compensated absences, current	<u>28,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,708</u>
Total liabilities	51,505	3,214	4,867	9,027	1,271	69,884
Deferred inflows						
Deferred - property tax	<u>377,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>377,722</u>
Total deferred inflows	<u>377,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>377,722</u>
Total liabilities and deferred inflows	429,227	3,214	4,867	9,027	1,271	447,606
Fund Balance:						
Restricted for Capital Projects	-	-	-	-	247,120	247,120
Restricted for special revenue funds	-	-	230,370	255,370	1,888,965	2,374,705
Unassigned	<u>3,798,587</u>	<u>521,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,319,594</u>
Total fund balances	<u>3,798,587</u>	<u>521,007</u>	<u>230,370</u>	<u>255,370</u>	<u>2,136,085</u>	<u>6,941,419</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,227,814</u>	<u>\$ 524,221</u>	<u>\$ 235,237</u>	<u>\$ 264,397</u>	<u>\$ 2,137,356</u>	<u>\$ 7,389,025</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENT FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total fund balance - governmental funds \$ 6,941,419

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in governmental funds.

Cost of capital assets	25,149,262	
Accumulated depreciation	<u>(10,427,147)</u>	14,722,115

Deferred outflows- contributions made after the measurement date, will be recognized as a reduction of net pension liability.	147,082
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Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds:

Deferred inflows - property tax	377,722
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Deferred inflows due to actual non-investment experience that was better than expected and changes in benefits or assumption which result in a decrease to net pension liability:

Deferred inflows - change in assumption	(30,062)
Deferred inflows - difference between projected and actual investment earnings on pension plan investments	(551,304)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds

Compensated absences	(2,829)
Net pension liability	(1,427,061)
Notes payable	<u>(3,336,136)</u>

Total net position - governmental activities **\$16,840,946**

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Road Fund	Grants Fund	Detention Fund	Total Non- Major Funds	Total Funds
REVENUES						
Property taxes	\$ 2,513,993	\$ -	\$ -	\$ -	\$ -	\$ 2,513,993
Motor vehicle taxes	18,497	191,270	-	-	-	209,767
Gasoline taxes	-	118,270	-	-	-	118,270
Gross receipts taxes	63,034	-	-	248,065	227,389	538,488
Intergovernmental income	-	-	-	-	99,570	99,570
Charges for services	30,691	-	-	41,088	177,529	249,308
Small counties assistance	532,741	-	-	46,871	-	579,612
License and fines	1,575	-	-	-	-	1,575
Other income	216,808	98	175	139,076	45,176	401,333
Investment income	35,681	-	-	-	-	35,681
Federal grant	-	-	1,350,593	87,780	-	1,438,373
State grant	-	704,755	358,131	-	477,027	1,539,913
	<u>3,413,020</u>	<u>1,014,393</u>	<u>1,708,899</u>	<u>562,880</u>	<u>1,026,691</u>	<u>7,725,883</u>
EXPENDITURES						
Current:						
General government	1,408,741	852,667	-	-	71,773	2,333,181
Public safety	946,870	-	1,575,715	594,712	530,917	3,648,214
Culture and recreation	160,051	-	-	-	-	160,051
Health and welfare	-	-	-	-	264,420	264,420
Debt service						
Interest	-	-	-	-	136,249	136,249
Principal	-	-	-	-	126,397	126,397
Capital outlay	<u>120,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,829</u>	<u>224,778</u>
	<u>2,636,611</u>	<u>852,667</u>	<u>1,575,715</u>	<u>594,712</u>	<u>1,233,585</u>	<u>6,893,290</u>
Excess (deficiency) revenues over (under) expenditures	<u>776,409</u>	<u>161,726</u>	<u>133,184</u>	<u>(31,832)</u>	<u>(206,894)</u>	<u>832,593</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Road Fund	Grants Fund	Detention Fund	Total Non- Major Funds	Total Funds
OTHER FINANCING SOURCES (USES):						
Transfers in	8,851	-	-	568,905	312,475	890,231
Transfers out	<u>(1,024,831)</u>	<u>-</u>	<u>-</u>	<u>(242,607)</u>	<u>(46,150)</u>	<u>(1,313,588)</u>
Total other financing sources (uses)	<u>(1,015,980)</u>	<u>-</u>	<u>-</u>	<u>326,298</u>	<u>266,325</u>	<u>(423,357)</u>
Net change in fund balance	(239,571)	161,726	133,184	294,466	59,431	409,236
Fund balance beginning of year, as previously stated	3,287,121	469,405	932,857	33,074	2,073,603	6,796,060
Restatement	<u>751,037</u>	<u>(110,124)</u>	<u>(835,671)</u>	<u>(72,170)</u>	<u>3,051</u>	<u>(263,877)</u>
Fund balance beginning of year, as restated	<u>4,038,158</u>	<u>359,281</u>	<u>97,186</u>	<u>(39,096)</u>	<u>2,076,654</u>	<u>6,532,183</u>
Fund balance end of year	<u>\$ 3,798,587</u>	<u>\$ 521,007</u>	<u>\$ 230,370</u>	<u>\$ 255,370</u>	<u>\$ 2,136,085</u>	<u>\$ 6,941,419</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCE TO THE STATEMENT OF ACTIVITIES
 JUNE 30, 2015

Total net change in fund balances - governmental funds \$ 409,236

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital assets reported as capital outlay expenditures	224,778	
Depreciation expense	<u>(787,618)</u>	(562,840)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

Property taxes- deferred inflows	377,722
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The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principle of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also government funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal payment on debt	126,397	
Compensated absences	<u>(24,019)</u>	<u>102,378</u>

Change in net position of governmental activities	<u>\$ 326,496</u>
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See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Property taxes	\$ 1,635,174	\$ 1,635,174	\$ 2,513,993	\$ 878,819
Motor vehicle taxes	15,000	15,000	17,206	2,206
Gross receipts taxes	-	-	58,512	58,512
Licenses & fines	2,250	2,250	1,575	(675)
PILT	500,000	500,000	-	(500,000)
Charges for services	17,500	17,500	30,691	13,191
Miscellaneous revenues	165,000	165,000	216,808	51,808
Investment income	3,500	3,500	35,681	32,181
Small counties assistance	365,000	365,000	532,741	167,741
	<u>2,703,424</u>	<u>2,703,424</u>	<u>3,407,207</u>	<u>703,783</u>
EXPENDITURES:				
General government	1,166,964	1,169,464	1,385,944	(216,480)
Public safety	1,019,261	1,019,261	946,870	72,391
Culture and recreation	88,376	88,376	160,051	(71,675)
Capital Outlay	-	-	120,949	(120,949)
Miscellaneous	294,272	294,272	-	294,272
	<u>2,568,873</u>	<u>2,571,373</u>	<u>2,613,814</u>	<u>(42,441)</u>
Excess (deficiency) of revenues over expenditures	<u>134,551</u>	<u>132,051</u>	<u>793,393</u>	<u>661,342</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	8,851	8,851
Transfers out	<u>(962,182)</u>	<u>(962,182)</u>	<u>(1,024,831)</u>	<u>(62,649)</u>
Total other financing sources (uses)	<u>(962,182)</u>	<u>(962,182)</u>	<u>(1,015,980)</u>	<u>(53,798)</u>
Net changes in fund balance Non-GAAP basis	(827,631)	(830,131)	(222,587)	607,544
Fund balance - beginning as previously stated	3,287,121	3,287,121	3,287,121	-
Restatement	<u>-</u>	<u>-</u>	<u>751,037</u>	<u>751,037</u>
Fund balance- beginning as restated	<u>3,287,121</u>	<u>3,287,121</u>	<u>4,038,158</u>	<u>751,037</u>
Fund balance - ending	<u>\$ 2,459,490</u>	<u>\$ 2,456,990</u>	<u>\$ (222,587)</u>	<u>\$ (2,679,577)</u>
Reconciliation of Budgetary basis to GAAP basis				
Net change in fund balance - budgetary basis			<u>\$ (222,587)</u>	
Revenue accruals		5,813		
Expenditure accruals		<u>(22,797)</u>	<u>(16,984)</u>	
Net change in fund balance- GAAP basis			<u>\$ (239,571)</u>	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS
ROAD FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Motor vehicle taxes	\$ 150,000	\$ 150,000	\$ 178,043	\$ 28,043
Gasoline taxes	110,000	110,000	108,820	(1,180)
State grants	681,602	681,602	704,755	23,153
Federal grants	40,000	40,000	-	(40,000)
Miscellaneous	-	-	98	98
	<u>981,602</u>	<u>981,602</u>	<u>991,716</u>	<u>10,114</u>
EXPENDITURES:				
Current:				
General government	1,020,678	1,020,678	850,024	170,654
	<u>1,020,678</u>	<u>1,020,678</u>	<u>850,024</u>	<u>170,654</u>
Excess (deficiency) of revenues over expenditures	<u>(39,076)</u>	<u>(39,076)</u>	<u>141,692</u>	<u>180,768</u>
Net changes in fund balance Non-GAAP basis	(39,076)	(39,076)	141,692	180,768
Fund balance - beginning of year as previously stated	469,405	469,405	469,405	-
Restatement	<u> </u>	<u> </u>	<u>(110,124)</u>	<u>110,124</u>
Fund balance beginning of year, as restated	<u>469,405</u>	<u>469,405</u>	<u>359,281</u>	<u>110,124</u>
Fund balance - ending	<u>\$ 430,329</u>	<u>\$ 430,329</u>	<u>\$ 500,973</u>	<u>\$ 70,644</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 141,692	
Revenue accruals		22,677		
Expenditure accruals		(2,643)	20,034	
Net change in fund balance - GAAP basis			<u>\$ 161,726</u>	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET
 AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - GRANTS FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grants	\$ 900,000	\$ 900,000	\$ 349,705	\$ (550,295)
Federal grants	2,300,000	2,664,248	1,290,411	(1,373,837)
Other Income	-	-	175	175
	3,200,000	3,564,248	1,640,291	(1,923,957)
Total revenues				
EXPENDITURES:				
Current:				
Public safety	2,735,289	2,735,289	1,573,952	(1,161,337)
	2,735,289	2,735,289	1,573,952	1,161,337
Total expenditures				
Excess (deficiency) of revenues over expenditures	464,711	828,959	66,339	(762,620)
Net changes in fund balance Non-GAAP basis	464,711	828,959	66,339	(762,620)
Fund balance - beginning of year, as previously stated	-	-	932,857	932,857
Restatement	-	-	(835,671)	(835,671)
Fund balance beginning of year, as restated	-	-	97,186	97,186
Fund balance - ending	\$ 464,711	\$ 828,959	\$ 163,525	\$ (665,434)
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 66,339	
Revenue accruals		68,609		
Expenditure accruals		(1,763)	66,846	
Net change in fund balance - GAAP basis			\$ 133,185	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET
 AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - DETENTION FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	Original	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Gross receipts tax	\$ 90,000	\$ 90,000	\$ 242,608	\$ 152,608
Charges for services	-	-	34,820	34,820
Small counties assistance	15,000	15,000	46,871	31,871
Other income	31,000	31,000	139,076	108,076
Federal Grant	-	-	-	-
	<u>136,000</u>	<u>136,000</u>	<u>463,375</u>	<u>327,375</u>
EXPENDITURES:				
Current:				
Public safety	<u>704,025</u>	<u>-</u>	<u>585,757</u>	<u>(585,757)</u>
Total expenditures	<u>704,025</u>	<u>-</u>	<u>585,757</u>	<u>(585,757)</u>
Excess (deficiency) of revenues over expenditures	<u>(568,025)</u>	<u>136,000</u>	<u>(122,382)</u>	<u>(258,382)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	568,905	-	568,905	568,905
Transfers out	<u>-</u>	<u>-</u>	<u>(242,607)</u>	<u>(242,607)</u>
Total other financing sources (uses)	<u>568,905</u>	<u>-</u>	<u>326,298</u>	<u>326,298</u>
Net changes in fund balance Non-GAAP basis	880	136,000	203,916	67,916
Fund balance beginning of year, as previously stated	33,074	33,074	33,074	(1,667,987)
Restatement	<u>-</u>	<u>-</u>	<u>(72,170)</u>	<u>-</u>
Fund balance beginning of year, as restated	<u>33,074</u>	<u>33,074</u>	<u>(39,096)</u>	<u>-</u>
Fund balance - ending	<u>\$ 33,954</u>	<u>\$ 169,074</u>	<u>\$ 164,820</u>	<u>\$ (1,600,071)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 203,916	
Revenue accruals		99,505		
Expenditure accruals		<u>(8,955)</u>	<u>90,550</u>	
Net change in Fund balance - GAAP basis			<u>\$ 294,466</u>	

See independent auditors' report and accompanying notes to financial statements

PROPRIETARY FUNDS

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

ASSETS	Ambulance Fund	C & C Fund	Total Proprietary
Current assets:			
Cash and cash equivalents	\$ 28,412	\$ 178,859	\$ 207,271
Accounts receivable, net of allowance for doubtful accounts	<u>121,607</u>	<u>-</u>	<u>121,607</u>
Total current assets	150,019	178,859	328,878
Non-current assets:			
Capital assets	1,084,694	390,037	1,474,731
Accumulated depreciation	<u>(473,264)</u>	<u>(302,517)</u>	<u>(775,781)</u>
Total non-current assets	<u>611,430</u>	<u>87,520</u>	<u>698,950</u>
Total assets	761,449	266,379	1,027,828
Deferred Outflows			
Deferred Outflows	<u>17,184</u>	<u>7,647</u>	<u>24,831</u>
Total assets and deferred outflows	<u>\$ 778,633</u>	<u>\$ 274,026</u>	<u>\$ 1,052,659</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

LIABILITIES	Ambulance Fund	C & C Fund	Total Proprietary
Current liabilities:			
Accounts payable	\$ 62	\$ -	\$ 62
Accrued salaries	6,254	1,787	8,041
Accrued compensated absences	<u>7,166</u>	<u>5,458</u>	<u>12,624</u>
Total current liabilities	13,482	7,245	20,727
Long-term liabilities:			
Accrued compensated absences	7,293	100	7,393
Net Pension Liability	<u>166,730</u>	<u>74,196</u>	<u>240,926</u>
Total Long-term liabilities	<u>174,023</u>	<u>74,296</u>	<u>248,319</u>
Total liabilities	187,505	81,541	269,046
Deferred inflows			
Deferred inflows- change in assumption	3,502	1,573	5,075
Deferred inflows- Net difference between projected and actual investment earnings	<u>64,221</u>	<u>28,853</u>	<u>93,074</u>
Total deferred inflows	<u>67,723</u>	<u>30,426</u>	<u>98,149</u>
Total liabilities and deferred inflows	255,228	111,967	367,195
NET POSITION			
Net investment in capital assets	-	-	-
Unrestricted	<u>523,405</u>	<u>162,059</u>	<u>685,464</u>
Net position	<u>523,405</u>	<u>162,059</u>	<u>685,464</u>
Total liabilities and net position	<u>\$ 778,633</u>	<u>\$ 274,026</u>	<u>\$ 1,052,659</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

OPERATING REVENUES	Ambulance Fund	C & C Fund	Total Proprietary
Charges for services	\$ 331,837	\$ 195,838	\$ 527,675
Miscellaneous revenue	<u>8,216</u>	<u>-</u>	<u>8,216</u>
Total revenues	340,053	195,838	535,891
OPERATING EXPENSES			
Personnel expenses	312,637	151,566	464,203
Depreciation	31,334	12,688	44,022
Other operating costs	<u>127,581</u>	<u>155,664</u>	<u>283,245</u>
Total operating expenses	<u>471,552</u>	<u>319,918</u>	<u>791,470</u>
Operating loss	(131,499)	(124,080)	(255,579)
Transfers in	266,937	206,249	473,186
Transfers out	<u>(49,829)</u>	<u>-</u>	<u>(49,829)</u>
Total other financing sources (uses)	<u>217,108</u>	<u>206,249</u>	<u>423,357</u>
Change in net position	85,609	82,169	167,778
Net position beginning of year, as previously stated	347,282	147,872	495,154
Restatement	<u>90,514</u>	<u>(67,982)</u>	<u>22,532</u>
Net position beginning of year, as restated	<u>437,796</u>	<u>79,890</u>	<u>517,686</u>
Net position end of year	<u>\$ 523,405</u>	<u>\$ 162,059</u>	<u>\$ 685,464</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Cash flows from operating activities:	<u>Ambulance</u>	<u>C & C Transfer</u>	<u>Total Proprietary</u>
Cash received from agencies and customers	\$ 505,775	\$ 394,440	\$ 900,215
Cash paid to suppliers for goods and services	(185,730)	(225,860)	(411,590)
Cash payments to employees for services	<u>(314,216)</u>	<u>(144,546)</u>	<u>(458,762)</u>
Net cash provided by (used in) operating activities	<u>5,829</u>	<u>24,034</u>	<u>29,863</u>
Net increase (decrease) in cash and cash equivalents	5,829	24,034	29,863
Cash and cash equivalents - beginning of year	<u>22,583</u>	<u>154,825</u>	<u>177,408</u>
Cash and cash equivalents - end of year	<u>\$ 28,412</u>	<u>\$ 178,859</u>	<u>\$ 207,271</u>
 Reconciliation of operating income to net cash used in operating activities:			
Operating income (loss)	\$ 85,609	\$ 82,169	\$ 167,778
Adjustments to reconcile change in net assets to net cash			
Depreciation	31,334	12,688	44,022
Restatement	90,514	(67,982)	22,532
Restatement - Fixed assets	(333,349)	(100,208)	(433,557)
Changes in working capital components:			
(Increase) Decrease in:			
Accounts receivables	(84,031)	-	(84,031)
Other assets	<u>(17,184)</u>	<u>(7,647)</u>	<u>(24,831)</u>
Increase (Decrease) in:			
Accounts payable	234,515	97,994	332,509
Accrued expenses and other liabilities	<u>(1,579)</u>	<u>7,020</u>	<u>5,441</u>
Net cash provided by (used) in operating activities	<u>\$ 5,829</u>	<u>\$ 24,034</u>	<u>\$ 29,863</u>

See independent auditors' report and accompanying notes to financial statements

AGENCY FUNDS

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2015

ASSETS

Current assets:

Cash	\$ 17,449
Taxes receivables	<u>320,691</u>

Total assets	<u>\$ 338,140</u>
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LIABILITIES

Current liabilities

Accounts payable	\$ 17,449
Deferred revenue	<u>320,691</u>

Total liabilities	<u>\$ 338,140</u>
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See independent auditors' report and accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Hidalgo (the County) is a political sub-division of the State of New Mexico established under the provisions of New Mexico State Statute Chapter 11, 1919, and began operations January 1, 1920. The County is regulated by the Constitution of the State of New Mexico. The County operates under a commission - manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, planning and zoning, property assessment, tax collection and general administrative services.

The financial statements of the County of Hidalgo (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the County's accounting policies are described below.

In June 1999, the GASB unanimously approved Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. In June 2001, the GASB approved Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus and Statement No. 38, Certain Financial Statement Note Disclosures. Statement No. 37 clarifies and modifies Statement No. 34 and should be implemented simultaneously with Statement No. 34. Statement No. 38 modifies, establishes, and rescinds certain financial statement disclosures requirements.

A. Reporting Entity

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB-14. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the County has no component units, and is not a component unit of another governmental agency.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

B. Basis of Presentation

The government-wide financial statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though neither fiduciary funds nor component units that are fiduciary in nature are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Government-wide and Fiduciary Financial Statements - The government-wide, proprietary, and agency fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include gross receipts taxes and property taxes, grants and entitlements. On an accrual basis, revenue from property taxes, net of estimated refunds and uncollectible amounts, is recognized as revenues in the year for which they are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements are met.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

C. Measurement Focus, Basis of Accounting, and Fund Financial Statements (Continued)

All governmental and business-type activities of the County follow FASB Statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The county has elected not to follow FASB Statements and interpretations issued after November 30, 1989.

Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The County considers all revenues to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues not considered available are recorded as unearned revenues. Property taxes, gross receipts taxes, franchise taxes, and interest are considered susceptible to accrual. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government because they are not measurable or reasonably estimable.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

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

General Fund - This is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the County except for items included in other funds.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

C. Measurement Focus, Basis of Accounting, and Fund Financial Statements (Continued)
Special Revenue Funds - To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund - To account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Capital Projects Fund - To account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB No. 34, the County is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund):

Road Fund - To account for the distribution of gasoline taxes and motor vehicles registration fees to the County and the expenditure for construction, reconstruction, resurfacing or other improvement or maintenance of public roads as authorized by NMSA 1978 Section 7-24A-5.

Detention Center Fund - To account for funds relating to detention facilities. Authority is NMSA 1978 33-3-25.

Grants Fund - To account for grant funds received from the New Mexico Department of Public Safety and other state and federal agencies under the authority of state statute (see section 11-6A-5, NMSA 1978 and Chapter 65).

Additionally, the government reports the following fund types:

Fiduciary Funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary fund is used to account for the collection and payment of property taxes and special fees to other governmental agencies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

C. Measurement Focus, Basis of Accounting, and Fund Financial Statements (Continued)

Fiduciary Funds (Continued)

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

Amounts reported as *program* revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources, as they are needed.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the County's enterprise fund is charges for ambulance services and garbage pick up. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources, as they are needed.

Ambulance Fund - The government reports its proprietary fund (Ambulance Fund) as a major fund. The purpose of the Ambulance Fund is to account for the operation and maintenance of the ambulance service for the County.

C & C Transfer Station Fund - To account for fees charged and expenditures of a city and county transfer station. In addition to the fees charged, the County provides funds from the gross receipts tax fund and the general fund. Authority is motion of the County Commission.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

D. Assets, Liabilities and Net Position or Equity

1. Deposits and Investments:

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

- a. State statutes authorize the County to invest in Certificates of Deposit, obligations of the U.S. Government, and fully collateralized repurchase agreements.
- b. Investments for the County are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.
- c. New Mexico LGIP AAAM Rated \$102,188 [54.6] day WAR(R); [77.7] day WAM (F).

2. Receivables and Payables:

Advances between funds, as reported in the fund financial statements, are offset by a receivable balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the County may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent.

3. Prepaid Items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary financial statements.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

4. **Capital Assets:**

Capital assets, which include land, construction in progress, buildings, improvements, machinery and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets including computer software are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. No computer software is developed in-house.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Capital assets of the primary government are depreciated using the straight-line method over their useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements/Infrastructure	40
Machinery and equipment	5-30

5. **Deferred Inflows and Deferred Outflows:**

Grant Revenue and Property Tax:

Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenue. In addition, property taxes receivable but uncollected within sixty (60) days of year end are classified as a deferred inflows.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

5. **Deferred Inflows and Deferred Outflows (Continued):**

Net Pension Liability:

Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability (NPL) of employers. Changes in the net pension liability not included in pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions. Deferred inflows are due to actual non-investment experience that was better than expected and changes to the benefits or assumptions which result in a decrease to the NPL. Deferred outflows are due to actual non-investment experience that was worse than expected, and changes to the benefits or assumptions which result in an increase to the NPL.

6. **Compensated Absences:**

Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of five days to twenty-five days per year, depending on length of service. Annual leave earned by an employee must be taken within the subsequent twelve (12) months. Employees who have worked at least one (1) year shall be paid prorated annual leave upon separation.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the government fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

Qualified employees are entitled to accumulate sick leave at the rate of four hours of sick leave for every two weeks of services (beginning the anniversary date of employment). A regular employee may accumulate up to 360 hours of sick leave in total. Sick leave for regular part-time employment accrues on a prorated basis. Upon termination, employees receive no pay for sick time accumulated.

7. **Long-Term Obligations:**

In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

8. **Net Position:**

The government-wide and business-type activities fund financial statements utilize a net position presentation.

Net investment in capital assets - This category reflects the portion of net position that are associated with capital assets less outstanding capital asset related debt.

Restricted net position - Restricted net position result from the constraints placed on the use of net position when externally imposed by creditors, grantors, laws and regulations of other governments and imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This category reflects net position of the County, not restricted for any project or other purpose.

9. **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.

Restricted - fund balance should be 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. Enabling legislation, as the term is used in this Statement, 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.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

9. Fund Balance (Continued)

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.

10. Inter-Fund Transactions:

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

All other inter-fund transactions, except quasi-external transactions and reimbursements are reported as transfers. All other inter-fund transfers are reported as operating transfers.

E. Other Significant Accounting Policies

1. 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. 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.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

2. Property Taxes (Continued)

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.

Property taxes attached as an enforceable lien on property as of January 1st. Property tax rates for the year are set no later than September 1st each year by the New Mexico Secretary of Finance and Administration. The rates of tax are then used by the Hidalgo County Assessor to develop the property tax schedule by October 1st. The Hidalgo County Treasurer sends tax notices to property owners by November 1st of each year. Taxes are payable in equal semiannual installments by November 10th and April 10th of subsequent year. Thirty days later the bill becomes delinquent and the County Treasurer assesses penalties and interest. The County Treasurer is statutorily required to collect taxes as an intermediary agency for all forms of government. Distribution of taxes collected is made through the County Treasurer's office.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Two months prior to June 30th, the County Manager submits to the County Commission a proposed operating budget for the upcoming fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the County Office to obtain taxpayer comments.
3. After the County Commission approves the proposed budget, it is then submitted to the Local Government Division of the State Department of Finance and Administration for review and certification.
4. Upon certification the budget becomes a legally binding document. Total expenditures in any fund may not exceed the amount budgeted.
5. The County Manager is authorized to transfer budgeted amounts among departments within a fund; however, the County Commission and the Local Government Division of the State Department of Finance and Administration must approve these revisions.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

6. Any revisions that increase the total budgeted expenditures of any fund must have written approval of the Secretary of Finance and Administration. If such approval is not granted, the County is legally restricted under state statutes to the total expenditures provided for in the budget.
7. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Funds.

Budgets are not adopted on a basis consistent with generally accepted accounting principles (GAAP). Throughout the year, the accounting records are maintained on a Non-GAAP basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the budgets are adopted on the cash basis of accounting. Budgetary comparisons presented for in this report are on this Non-GAAP budgetary basis. Appropriations lapse at year-end, therefore, beginning cash balances reflected as fund balances or retained earnings in the budgetary comparisons are considered available resources for the subsequent year's budget. The budget amounts shown in the financial statements are the final authorization amounts as revised during the year.

The County is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

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 a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year-ended June 30, 2015 are presented.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Implementation of New Accounting Standards

In 2015, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. Earlier application is encouraged. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The County is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In 2015, GASB issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.

This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The County is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In 2015, the GASB issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Implementation of New Accounting Standards (Continued)

information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The County is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The County is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In 2015, the GASB issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. Earlier application is encouraged. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The County is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In 2015, the GASB issued GASB Statement No. 77, *Tax Abatement Disclosures*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations,

STATE OF NEW MEXICO, HIDALGO COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Implementation of New Accounting Standards (Continued)

(3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. The County is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

3. CUSTODIAL CREDIT RISK - DEPOSITS

The County had the following depository accounts. All deposits are carried at cost plus accrued interest. The County does not have a deposit policy.

<u>Depository Account</u>	<u>Bank Balance</u>
Collateralized:	
Collateral held by pledging bank's trust not in the county's name	4,087,887
Uninsured and uncollateralized	<u>2,671,111</u>
 Total Cash and Investments, Primary Government	 <u>\$ 6,758,998</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. As of June 30, 2015, \$6,758,998 of the County's bank balance of \$7,008,998 was exposed to custodial credit risk as follows:

Insured	\$ 250,000
Uninsured and uncollateralized	2,671,111
Uninsured and collateralized held by pledging bank's trust department not in County's name	<u>4,087,887</u>
 Total Cash and Investments, Primary Government	 <u>\$ 7,008,998</u>

4. ACCOUNTS RECEIVABLE

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

	<u>Governmental Funds</u>	<u>Proprietary Fund</u>	<u>Total</u>
Taxes receivable:			
Property taxes	\$ 377,722	\$ -	\$ 377,722
Due from other governments:			
Gas taxes	9,450	-	9,450
GRT	34,489	-	34,489
Motor vehicles	14,518	-	14,518
Grants	189,483	-	189,483
Other receivables:			
Ambulance charges	-	670,810	670,810
Allowance for doubtful accounts	<u>-</u>	<u>(549,203)</u>	<u>(549,203)</u>
 Net receivables	 <u>\$ 625,662</u>	 <u>\$ 121,607</u>	 <u>\$ 747,269</u>

An allowance for doubtful accounts for ambulance charges is disclosed in the table above. All other amounts are considered to be collectible.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

5. 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.

Depreciation expense, for the year ended June 30, 2015 was charged as follows:

General Government	\$	376,821
Public Safety		318,609
Public Works		85,361
Culture and Recreation		<u>6,827</u>
 Total depreciation expense	 \$	 <u>787,618</u>

	Balance June 30, 2014 as previously stated	Restatement	Balance June 30, 2014 as restated	Additions	Deletions	Balance June 30, 2015
Government activities:						
Capital assets not being depreciated						
Land	\$ 133,052	\$ -	\$ 133,052	\$ -	\$ -	\$ 133,052
Construction in progress	<u>9,233,472</u>	<u>69,714</u>	<u>9,303,186</u>	<u>-</u>	<u>-</u>	<u>9,303,186</u>
Total	9,366,524	69,714	9,436,238	-	-	9,436,238
Other capital assets being depreciated						
Buildings	7,670,357	(176,860)	7,493,497	-	-	7,493,497
Improvements/Infrastructure	397,485	338,908	736,393	-	-	736,393
Machinery and equipment	<u>8,006,278</u>	<u>(725,122)</u>	<u>7,281,156</u>	<u>224,778</u>	<u>(22,800)</u>	<u>7,483,134</u>
Total	16,074,120	(563,074)	15,511,046	224,778	(22,800)	15,713,024
Total	25,440,644	(493,360)	24,947,284	224,778	(22,800)	25,149,262
Accumulated depreciation:						
Buildings	4,116,001	107,161	4,223,162	359,931	-	4,583,093
Improvements/Infrastructure	197,789	(40,146)	157,643	14,368	-	172,011
Machinery and equipment	<u>5,761,219</u>	<u>(479,695)</u>	<u>5,281,524</u>	<u>413,319</u>	<u>(22,800)</u>	<u>5,672,043</u>
Total accumulated depreciation	<u>10,075,009</u>	<u>(412,680)</u>	<u>9,662,329</u>	<u>787,618</u>	<u>(22,800)</u>	<u>10,427,147</u>
Net book value	<u>\$ 15,365,635</u>	<u>\$ (80,680)</u>	<u>\$ 15,284,955</u>	<u>\$ (562,840)</u>	<u>\$ -</u>	<u>\$ 14,722,115</u>

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

5. CAPITAL ASSETS (continued)

	Balance June 30, 2014 as previously stated	Restatement	Balance June 30, 2014 as restated	Additions	Deletions	Balance June 30, 2015
Business-type activities						
Capital assets not being depreciated						
Construction in progress	\$ 49,616	\$ (49,616)	\$ -	\$ -	\$ -	\$ -
Capital assets being depreciated						
Buildings	318,961	(318,961)	-	-	-	-
Improvements/Infrastructure	730,180	744,551	1,474,731	-	-	1,474,731
Total	1,098,757	375,974	1,474,731	-	-	1,474,731
Accumulated depreciation:						
Buildings	158,215	(158,215)	-	-	-	-
Improvements/Infrastructure	631,127	100,632	731,759	44,022	-	775,781
Total accumulated depreciation	789,342	(57,583)	731,759	44,022	-	775,781
Net book value	\$ 309,415	\$ 433,557	\$ 742,972	\$ (44,022)	\$ -	\$ 698,950

Depreciation expense relating to business-like activities for the year-ended June 30, 2015 totaled \$44,022.

6. LONG-TERM LIABILITIES

During the year-end June 30, 2015, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance 6/30/14 as previously stated	Restatement	Balance 6/30/14 as restated	Additions	Reductions	Balance 6/30/15	Due Within One Year
Governmental Funds							
Detention Center - 2167 revenue	\$ 1,658,395	\$ (4,543)	\$ 1,653,852	\$ -	\$ 60,848	\$ 1,593,004	\$ 67,091
Detention Center- 2432 revenue	-	1,678,377	1,678,377	-	48,858	1,629,519	54,051
Hidalgo 8 -2292 NMFA	-	39,539	39,539	-	6,113	33,426	6,291
Hidalgo 11- 2607 NMFA	-	90,765	90,765	-	10,578	80,187	10,632
Compensated absences	36,226	(379)	35,847	38,600	42,910	31,537	28,708
Total	\$ 1,694,621	\$ 1,803,759	\$ 3,498,380	\$ 38,600	\$ 169,307	\$ 3,367,673	\$ 166,773

Excess gross receipts taxes collected are applied against principal of the revenue bonds annually. NMFA loans are paid by the Fire Funds. Accrued compensated absences are paid out of various funds, as appropriated.

STATE OF NEW MEXICO, HIDALGO COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

6. LONG-TERM LIABILITIES (continued)

	Balance 6/30/14 as previously stated	Restatement	Balance 6/30/14 as restated	Additions	Reductions	Balance 6/30/15	Due Within One Year
Propriety Fund							
Compensated absences	\$ 10,775	\$ 5,973	\$ 16,748	\$ 18,047	\$ 14,778	\$ 20,017	\$ 12,624

This liability for compensated absences is paid out of the proprietary fund.

NMFA Loan Payable - Detention Center

On June 20, 2008, the County entered into a loan agreement with the New Mexico Finance Authority for the construction of a new detention center for the County. The County pledged future revenues from the County's gross receipts tax. This revenue is subject to an intercept agreement. The original amount of the loan was \$1,984,634. Interest on the loan is 3.11%. The term of the loan was 25 years. Although payments are deducted monthly, the annual payments of the loan are as follows:

Due in Year Ending June 30	Principal	Interest	Debt Service
2016	\$ 67,091	\$ 48,591	\$ 115,682
2017	69,207	46,475	115,682
2018	71,391	44,292	115,683
2019	73,643	42,039	115,682
2020	75,966	39,716	115,682
2021-2026	508,854	185,240	694,094
2027-2032	613,095	80,999	694,094
2033-2038	113,757	1,925	115,682
	<u>\$ 1,593,004</u>	<u>\$ 489,277</u>	<u>\$ 2,082,281</u>

NMFA Loan Payable - Detention Center

On July 2010, the County entered into a loan agreement with the New Mexico Finance Authority for construction of the facility. The County pledged future revenues from the County's gross receipts tax. This revenue is subject to an intercept agreement. The original amount of the loan was \$1,868,247. Interest on the loan is 4.043%. The term of the loan was 25 years. Although payments are deducted monthly, the annual payments of the loan are as follows:

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

6. **LONG-TERM LIABILITIES (continued)**

<u>Due in Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2016	\$ 54,051	\$ 64,887	\$ 118,938
2017	56,277	62,661	118,938
2018	58,595	60,343	118,938
2019	61,009	57,930	118,939
2020	63,522	55,417	118,939
2021-2026	440,002	273,627	713,629
2027-2032	457,467	137,225	594,692
2033-2038	<u>438,596</u>	<u>21,321</u>	<u>459,917</u>
	<u>\$ 1,629,519</u>	<u>\$ 733,411</u>	<u>\$ 2,362,930</u>

NMFA Loan Payable - Hidalgo 8

On July 2009, the County entered into a loan agreement with the New Mexico Finance Authority to purchase a fire truck. The County pledged future revenues from the Fire Protection Fund revenue distributions made annually to Hidalgo County Fire. This revenue is subject to an intercept agreement. The original amount of the loan was \$60,900. Interest on the loan is 3%. The term of the loan was eleven years. Although payments are deducted monthly, the annual payments of the loan are as follows:

<u>Due in Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2016	\$ 6,291	\$ 917	\$ 7,208
2017	6,482	725	7,207
2018	6,679	528	7,207
2019	6,882	325	7,207
2020	<u>7,092</u>	<u>116</u>	<u>7,208</u>
	<u>\$ 33,426</u>	<u>\$ 2,611</u>	<u>\$ 36,037</u>

STATE OF NEW MEXICO, HIDALGO COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

6. LONG-TERM LIABILITIES (continued)

NMFA Loan Payable - Hidalgo 11

On February 2011, the County entered into a loan agreement with the New Mexico Finance Authority to purchase a fire truck. The County pledged future revenues from the Fire Protection Fund revenue distributions made annually to Hidalgo County Fire. This revenue is subject to an intercept agreement. The original amount of the loan was \$111,650. Interest on the loan is 2.450%. The term of the loan was 22 years. Although payments are deducted monthly, the annual payments of the loan are as follows:

<u>Due in Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2016	\$ 10,632	\$ 1,846	\$ 12,478
2017	10,895	1,582	12,477
2018	11,165	1,312	12,477
2019	11,442	1,036	12,478
2020	11,725	752	12,477
2021-2026	<u>24,328</u>	<u>626</u>	<u>24,954</u>
	<u>\$ 80,187</u>	<u>\$ 7,154</u>	<u>\$ 87,341</u>

7 RISK MANAGEMENT

The County is subject to risk of loss through areas of general liability, worker's compensation, and natural disaster to minimize the risk of loss for general liability, the County has insurance coverage through a private common carrier. The coverage includes commercial general liability, property, inland marine, crime, errors and omissions and automobile. The coverage limitation varies for each type of coverage purchased.

For the policy period of July 1, 2014 through June 30, 2015, the premiums paid by the County were \$165,127. The assumption of risk transfers upon payment of premiums within the policy limits. To minimize the risk of loss for worker's compensation, the County participates in the New Mexico County Insurance Association (a risk pool of counties within the State of New Mexico).

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

8. PERA PENSION PLAN

Plan Description - Substantially all of the County of Hidalgo's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy - Plan members are required to contribute 7% for municipal employees and 13.5% of gross salaries for law enforcement employees. The County is required to contribute 9.15% for law enforcement plan members and 9.15% for all other plan members. The contribution requirements of plan members and County of Hidalgo are established in State Statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the years ended June 30, 2015 and June 30, 2014 were \$171,913 and \$159,161, respectively, which equal the amount of the required contributions for each fiscal year.

The County adopted GASB 68 during the year ended June 30, 2015. GASB 68, *Accounting and Financial Reporting for Pensions*, requires contributing employers of cost-sharing multiple employer defined benefit pension plans to include the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources related to their share of the pension plan in their government-wide financial statement presentation. PERA engaged their financial statement auditors to prepare a schedule allocating these obligations to the contributing employers as of the year ended June 30, 2014. As part of adopting GASB 68 during the current year, the County recognized a Net Pension Liability (NPL) of \$1,667,987, which represents the County's share of the underfunded pension obligation at June 30, 2015.

STATE OF NEW MEXICO, HIDALGO COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

8. PERA PENSION PLAN (continued)

<u>Pension Expense</u>	<u>Deferred Inflows - Difference between Projected and Actual Investment Earnings on Pension Plan Investments</u>	<u>Deferred Inflows - Change in Assumptions</u>	<u>Deferred Outflows - Contributions made after measurement date</u>
\$ 80,326	\$ 644,378	\$ 35,137	\$ 171,913

Liability Proportion

Municipal General Division	0.1597 %
Municipal Police Division	0.1295 %
Municipal Fire Division	- %

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of Hidalgo County, calculated using the discount rate of 7.75 percent, as well as what County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease 6.75%</u>	<u>Current 7.75%</u>	<u>1% Increase 8.75%</u>
Net Pension Liability	\$ 3,153,724	\$ 1,667,987	\$ 530,087

In June 30, 2016 \$ 171,913, deferred outflows - contributions made after measurement date, will be recognized as a reduction of net pension liability. Other deferred amounts to be recognized in fiscal years following the reporting date are below:

Year Ended June 30:

2016	\$ 122,061
2017	\$ 122,061
2018	\$ 122,061
2019	\$ 122,061
2020	\$ 4

Additional information on PERA, and the Actuarial assumptions may be found at:
http://www.pera.state.nm.us/pdf/gasb/366B_PERA_Schedule_of_Employer_Allocations_FY2014.pdf

9. POST-EMPLOYMENT BENEFITS

The County of Hidalgo did not participate in the Retiree Health Care Act Program during the fiscal year ending June 30, 2015.

STATE OF NEW MEXICO, HIDALGO COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

10. CONTINGENCIES

The County is party to various claims and lawsuits arising in the normal course of business. The County is insured through the New Mexico County Insurance Authority. In the opinion of management, the outcome of these matters will not have a material effect on the financial position of the County.

11. FEDERAL AND STATE GRANTS

In the normal course of operations, the County receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as a result of these audits, is not believed to be material.

12. INTER-FUND TRANSFERS AND BALANCES

The composition of interfund transfers for Governmental Activities during the year ended June 30, 2015 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$ 8,851	\$ 1,024,830
Detention	568,905	242,607
EMS Grant	49,829	-
Debt Service	262,646	-
Hidalgo Complex	-	8,851
Animas Fire	-	7,299
Gross Receipts Environmental	-	30,000
	<u> </u>	<u> </u>
Total Governmental Funds	<u>\$ 890,231</u>	<u>\$ 1,313,587</u>
Enterprise Funds:		
Ambulance Fund	\$ 266,937	\$ -
C&C Transfer	<u>206,248</u>	<u>49,829</u>
Total Enterprise Funds	<u>473,185</u>	<u>49,829</u>
Total	<u>\$ 1,363,416</u>	<u>\$ 1,363,416</u>

STATE OF NEW MEXICO, HIDALGO COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

13. PRIOR PERIOD ADJUSTMENTS

The County implemented GASB 68 resulting in a restatement. Furthermore, various prior period errors were identified during the audit. The prior period adjustments affected at the fund level, and at the government wide level as listed below.

There was a prior period adjustment totaling a net of \$263,877 at the governmental funds. Below is the amounts adjusted:

Due from other governments was overstated in the prior year, thus also overstating fund balance	\$ (447,333)
Six funds were not included in the audit; however, the cash balance for those funds was included in the fire fund resulting the Fire fund to be overstated	1,034,644
The same six funds not included did not have any revenues or expenses booked, thus understating the fund balance. The net effect to the fund balance is \$0.	(1,034,644)
Cash was understated in the prior year as a result of unrecorded interest income	181,000
There were various other errors in AR and AP not being reversed in the prior year resulting in a net error to fund balance	<u>2,456</u>
Prior Period Adjustment	\$ (263,877)

STATE OF NEW MEXICO, HIDALGO COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

13. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

There was a prior period adjustment totaling a net of \$22,532 for proprietary funds. Below is the amounts adjusted:

Cash was understated	\$ 52,177
Capital assets were understated due to omission	433,557
An erroneous account-suspense not balancing was created to balance the fund, but is not representative of any County Activity	(99,949)
Net Pension Liability - GASB 68 implementation	(327,473)
Compensated absences were understated	(5,973)
There were various other errors in accounts receivable and accounts payable not being reversed in the prior year resulting in a net error to fund balance	<u>(29,807)</u>
	<u>\$ 22,532</u>

There was a prior period adjustment totaling a net of \$4,523,853 for the Government Wide Financial statements. Below is the amounts adjusted:

Long Term Debt was understated	\$ (1,803,380)
Compensated absences were overstated	379
Capital Assets were overstated, net	(643,755)
Various reconciling error in the prior year	138,881
Net Pension Liability - GASB 68 Implementation	<u>(1,792,621)</u>
	<u>\$ (4,100,496)</u>

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 1, 2015, the date the financial statements were available to be issued.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Clerk's Equipment & Recording Fund - To account for revenues and expenditures for purchase of equipment. The fees collected are restricted in that they may only be used for the purchase of equipment associated with the recording, filing, maintaining, or reproducing of documents in the Office of the County Clerk. This fund was created by authority of state statute (see section 14-8-2.2, NMSA 1978 Compilation).

Farm And Range Fund - To account for the operations and maintenance of County roads and predatory animal control. Financing is provided by the County's share of grazing fees. Such fees provide for payment of all current operating costs and may be used only for that purpose. Authority is NMSA 6-11-6.

Property Valuation Fund - To account for funds used to provide valuation services to the County and other local entities. This fund was created by authority of state statute (see Section 7-38-38.1, NMSA 1978 Compilation).

Fire Fund - To account for operations and maintenance of six fire districts in the County. Financing is provided from the County's share of a fire allotment issued by the State Fire Marshal under NMSA 59-31-1. Such revenue provides for all current operating costs and some payments on capital purchases.

1. **Fire - Animas** - This fund is a volunteer fire department within the county.
2. **Fire - Rodeo** - This fund is a volunteer fire department within the county.
3. **Fire - Hidalgo** - This fund is a volunteer fire department within the county.
4. **Fire - Playas** - This fund is a volunteer fire department within the county.
5. **Fire - Cotton City** - This fund is a volunteer fire department within the county.
6. **Fire - Gila Neblett** - This fund is a volunteer fire department within the county.

Correction Fees Fund - To account for correction fees authorized by Section 35-14-11, NMSA, 1978. Such revenues are used to supplement general funds for the care of prisoners.

DARE (Drug Control And Systems Improvement Formula) Grant Fund - To account for grant funds to help students recognize and resist pressure that influence them to experiment with alcohol, drugs or tobacco. Funding is provided by the United States Department of Justice pursuant Anti-Drug Abuse Act of 1988, Public Law 100-690, Title VI, Subtitle C.

Law Enforcement Protection Fund - To account for revenues and expenditures for maintaining and improving the County's law enforcement department in order to enhance its efficiency and effectiveness. Funding is from the State appropriation authorized by Section 29-13-3F, NMSA.

Gross Receipts Landfill Fund - To account for a gross receipts tax imposed to fund environmental activities, mainly sanitary landfill closure and disposal of solid waste. Authority is NMSA 1978 7-20E-17.

Indigent Care Fund - To account for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute (see section 7-20OE-9, NMSA 1978 compilation).

Gross Receipts Environmental Fund - To account for a gross receipts tax dedicated for acquisition, construction operation and maintenance of water facilities, wastewater facilities, sewer systems and related facilities. Authority is local ordinance authorized by NMSA 1978 7-19D-10.

EMS Grant Fund - To account for grant monies restricted to expenditures for improvement and operations of emergency medical services. Sources of funds are the State of New Mexico Health and Environment Department, Emergency Medical Services Bureau. Expenditures are subject to approval of County commission and the state Agency. NMSA 24-10A to 24-10A-10.

Enhanced 911 Fund - To account for grant funds that are to be used to purchase and maintain a new 911 system. Financing is provided by a grant from New Mexico Department of Finance and Administration pursuant NMSA 63-9D-1, "Enhanced 911 Act".

Hidalgo Complex Fund - To account for funds received for staffing and managing the Hidalgo Complex Capital Projects.

Lodger's Tax Fund - To account for a lodger's tax imposed to promote business. Authority is NMSA 1978 3-38-15.

Recyclable Monies Fund - To account for recycling fees collected pursuant to NMSA 1978 66-6-5 and 66-6-8.

Special Investigations - This fund was created to allow for Hidalgo County to take part in the national asset forfeiture program.

Reserve - This is a fund that was created to allow the Sheriff's office to administer a reserve deputy program. This fund was closed in August of 2015

Jail -This is a fund that was created to allow a previous accounting system to zero out while the detention upgraded to a new accounting system. These funds issued are still outstanding and will be closed this coming year.

Fair Account - This fund is created for the Hidalgo County Fair Association to run and operate the county fair.

CAPITAL PROJECTS FUNDS

Hospital Acquisition Fund - To account for the cost of construction of a new health care facility financed by revenue bonds and a grant from the federal government. Authorized by County Hospital Emergency Gross Receipts Act, Section 7-20C-1 through 7-20C-17, NMSA 1978.

DEBT SERVICE FUNDS

Debt Service Fund - To account for funds used to pay off the loans used to finance governmental activities.

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total
ASSETS				
Cash and cash equivalents	\$ 1,840,066	\$ 246,653	\$ -	\$ 2,086,719
Taxes receivable	24,043	467	-	24,510
Other receivables	24,200	-	-	24,200
Restricted funds	1,927	-	-	1,927
Total assets	\$ 1,890,236	\$ 247,120	\$ -	\$ 2,137,356
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 533	\$ -	\$ -	\$ 533
Accrued liabilities	738	-	-	738
Total liabilities	1,271	-	-	1,271
FUND BALANCE				
Restricted for capital projects	-	247,120	-	247,120
Restricted for special revenue funds	1,888,965	-	-	1,888,965
Total fund balances	1,888,965	247,120	-	2,136,085
Total liabilities and fund balances	\$ 1,890,236	\$ 247,120	\$ -	\$ 2,137,356

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Funds
REVENUES				
Gross receipts taxes	\$ 227,389	\$ -	\$ -	\$ 227,389
Intergovernmental income	99,570	-	-	99,570
Charges for services	177,529	-	-	177,529
Other income	28,050	17,126	-	45,176
State grant	<u>477,027</u>	<u>-</u>	<u>-</u>	<u>477,027</u>
Total revenues	1,009,565	17,126	-	1,026,691
EXPENDITURES				
Current:				
General government	71,773	-	-	71,773
Public safety	530,917	-	-	530,917
Health and welfare	249,270	15,150	-	264,420
Debt service				
Interest	-	-	136,249	136,249
Principal	-	-	126,397	126,397
Capital outlay	<u>103,829</u>	<u>-</u>	<u>-</u>	<u>103,829</u>
Total expenditures	<u>955,789</u>	<u>15,150</u>	<u>262,646</u>	<u>1,233,585</u>
Excess (deficiency) revenues over ex (under) expenditures	<u>53,776</u>	<u>1,976</u>	<u>(262,646)</u>	<u>(206,894)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	49,829	-	262,646	312,475
Transfers out	<u>(46,150)</u>	<u>-</u>	<u>-</u>	<u>(46,150)</u>
Total other financing sources (uses)	<u>3,679</u>	<u>-</u>	<u>262,646</u>	<u>266,325</u>
Net change in fund balance	57,455	1,976	-	59,431
Fund balance beginning of year as previously stated	1,818,328	255,275	-	2,073,603
Restatement	<u>13,182</u>	<u>(10,131)</u>	<u>-</u>	<u>3,051</u>
Fund balance beginning of year as restated	<u>1,831,510</u>	<u>245,144</u>	<u>-</u>	<u>2,076,654</u>
Fund balance end of year	<u>\$ 1,888,965</u>	<u>\$ 247,120</u>	<u>\$ -</u>	<u>\$ 2,136,085</u>

See independent auditors' report and accompanying notes to financial statements

SPECIAL REVENUE FUNDS

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS
 JUNE 30, 2015

	Recording/ Filing	Farm and Range	Property Valuation	Fire Fund	Cotton City Fire	Correction Fees	DARE	Animas Fire Fund	Hidalgo Fire
ASSETS									
Cash and cash equivalents	\$ 31,643	\$ 38,176	\$ 255,691	\$ 98,753	\$ 302,875	\$ 268,727	\$ 42,672	\$ 208,039	\$ 30,619
Restricted funds	-	-	-	-	-	-	-	-	-
Taxes receivables	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 31,643</u>	<u>\$ 38,176</u>	<u>\$ 255,691</u>	<u>\$ 98,753</u>	<u>\$ 302,875</u>	<u>\$ 268,727</u>	<u>\$ 42,672</u>	<u>\$ 208,039</u>	<u>\$ 30,619</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-
FUND BALANCE									
Restricted for special revenue funds	<u>31,643</u>	<u>38,176</u>	<u>255,691</u>	<u>98,753</u>	<u>302,875</u>	<u>268,727</u>	<u>42,672</u>	<u>208,039</u>	<u>30,619</u>
Total liabilities and fund balance	<u>\$ 31,643</u>	<u>\$ 38,176</u>	<u>\$ 255,691</u>	<u>\$ 98,753</u>	<u>\$ 302,875</u>	<u>\$ 268,727</u>	<u>\$ 42,672</u>	<u>\$ 208,039</u>	<u>\$ 30,619</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 2015

	Law Enf Protection	Gross Receipts Landfill	Indigent Care	Gross Receipts Env.	EMS Grant	Hidalgo Complex	Lodger's Tax	Recyclable Monies	Rodeo Fire
ASSETS									
Cash and cash equivalents	\$ 925	\$ 21,897	\$ 37,440	\$ 77,095	\$ 28,788	\$ 162	\$ 6,698	\$ 54,881	\$ 20,900
Restricted fund	-	-	-	-	-	-	-	-	-
Taxes receivable	-	9,994	9,994	4,055	-	-	-	-	-
Other receivables	24,200	-	-	-	-	-	-	-	-
Total assets	<u>\$ 25,125</u>	<u>\$ 31,891</u>	<u>\$ 47,434</u>	<u>\$ 81,150</u>	<u>\$ 28,788</u>	<u>\$ 162</u>	<u>\$ 6,698</u>	<u>\$ 54,881</u>	<u>\$ 20,900</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ 533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	738	-	-	-	-	-	-	-
Total liabilities	533	738	-	-	-	-	-	-	-
FUND BALANCE									
Restricted for special revenue funds	24,592	31,153	47,434	81,150	28,788	162	6,698	54,881	20,900
Total liabilities and fund balance	<u>\$ 25,125</u>	<u>\$ 31,891</u>	<u>\$ 47,434</u>	<u>\$ 81,150</u>	<u>\$ 28,788</u>	<u>\$ 162</u>	<u>\$ 6,698</u>	<u>\$ 54,881</u>	<u>\$ 20,900</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 2015

	Playas Fire	Gila Neblett	Enhanced 911	Special Investigations	Reserve	Jail	Fair Account	Total
ASSETS								
Cash and cash equivalents	\$ 261,223	\$ 13,662	\$ -	\$ 30,754	\$ -	\$ 3,196	\$ 5,250	\$ 1,840,066
Restricted Funds	-	-	-	-	1,927	-	-	1,927
Taxes receivable	-	-	-	-	-	-	-	24,043
Other receivables	-	-	-	-	-	-	-	24,200
Total assets	<u>\$ 261,223</u>	<u>\$ 13,662</u>	<u>\$ -</u>	<u>\$ 30,754</u>	<u>\$ 1,927</u>	<u>\$ 3,196</u>	<u>\$ 5,250</u>	<u>\$ 1,890,236</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 533
Accrued liabilities	-	-	-	-	-	-	-	738
Total liabilities	-	-	-	-	-	-	-	1,271
FUND BALANCE								
Restricted for special revenue funds	<u>261,223</u>	<u>13,662</u>	<u>-</u>	<u>30,754</u>	<u>1,927</u>	<u>3,196</u>	<u>5,250</u>	<u>1,888,965</u>
Total liabilities and fund balance	<u>\$ 261,223</u>	<u>\$ 13,662</u>	<u>\$ -</u>	<u>\$ 30,754</u>	<u>\$ 1,927</u>	<u>\$ 3,196</u>	<u>\$ 5,250</u>	<u>\$ 1,890,236</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Recording/Filing	Farm and Range	Property Valuation	Fire Fund	Cotton City Fire	Correction Fees	DARE	Animas Fire Fund	Hidalgo Fire
REVENUES									
Gross receipts taxes	-	-	-	-	-	-	-	-	-
Intergovernmental income	\$ -	\$ 5,490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	15,193	-	33,801	-	-	119,367	-	-	-
Other income	-	-	-	2,657	-	23,292	1,784	-	-
State grants	-	-	-	421,329	-	-	-	7,299	-
Total revenues	15,193	5,490	33,801	423,986	-	142,659	1,784	7,299	-
EXPENDITURES									
Current:									
General government	4,599	-	8,514	-	28,300	-	-	-	-
Public safety	-	-	-	72,347	-	293,116	188	42,794	31,208
Culture and recreation	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	4,599	-	8,514	72,347	28,300	293,116	188	42,794	31,208
Excess (deficiency) of revenues over (under) expenditures	10,594	5,490	25,287	351,639	(28,300)	(150,457)	1,596	(35,495)	(31,208)
OTHER FINANCING SOURCES (USES)									
Operating transfers in	-	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	(7,299)	-
Total other financing source (uses)	-	-	-	-	-	-	-	(7,299)	-
Net change in fund balance	10,594	5,490	25,287	351,639	(28,300)	(150,457)	1,596	(42,794)	(31,208)
Fund balance, beginning of year, as previously stated	18,291	32,686	221,797	793,870	-	380,586	54,929	-	-
Restatement	2,758	-	8,607	(1,046,756)	331,175	38,598	(13,853)	250,833	61,827
Fund balance beginning of year, as restated	21,049	32,686	230,404	(252,886)	331,175	419,184	41,076	250,833	61,827
Fund balance, end of year	\$ 31,643	\$ 38,176	\$ 255,691	\$ 98,753	\$ 302,875	\$ 268,727	\$ 42,672	\$ 208,039	\$ 30,619

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2015

	Law Enf. Protection	Gross Receipts Landfill	Indigent Care	Gross Receipts Env.	EMS Grant	Hidalgo Complex	Lodgers Tax	Recyclable Monies	Rodeo Fire
REVENUES									
Gross receipts taxes	\$ -	\$ 97,344	\$ 95,384	\$ 34,661	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental income	-	-	-	-	94,080	-	-	-	-
Charges for services	-	-	-	-	-	-	-	9,168	-
Other income	-	-	-	-	-	162	155	-	-
State grants	48,399	-	-	-	-	-	-	-	-
Total revenues	48,399	97,344	95,384	34,661	94,080	162	155	9,168	-
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	1,930	28,430
Public safety	24,670	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Health and welfare	-	100,177	109,532	-	39,561	-	-	-	-
Capital outlay	-	-	-	-	103,829	-	-	-	-
Total expenditures	24,670	100,177	109,532	-	143,390	-	-	1,930	28,430
Excess (deficiency) of revenues over (under) expenditures	23,729	(2,833)	(14,148)	34,661	(49,310)	162	155	7,238	(28,430)
OTHER FINANCING SOURCES (USES)									
Operating transfers in	-	-	-	-	49,829	-	-	-	-
Operating transfers out	-	-	-	(30,000)	-	(8,851)	-	-	-
Total other financing source (uses)	-	-	-	(30,000)	49,829	(8,851)	-	-	-
Net change in fund balance	23,729	(2,833)	(14,148)	4,661	519	(8,689)	155	7,238	(28,430)
Fund balance, beginning of year, as previously stated	863	71,374	75,700	82,274	22,921	8,851	6,543	47,643	-
Restatement	-	(37,388)	(14,118)	(5,785)	5,348	-	-	-	49,330
Fund balance beginning of year, as restated	863	33,986	61,582	76,489	28,269	8,851	6,543	47,643	49,330
Fund balance, end of year	\$ 24,592	\$ 31,153	\$ 47,434	\$ 81,150	\$ 28,788	\$ 162	\$ 6,698	\$ 54,881	\$ 20,900

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2015

	Playas Fire	Gila Neblett	Enhanced 911	Special Investigations	Reserve	Jail	Fair Account	Total
REVENUES								
Gross receipts taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 227,389
Intergovernmental income	-	-	-	-	-	-	-	99,570
Charges for services	-	-	-	-	-	-	-	177,529
Other income	-	-	-	-	-	-	-	28,050
State grants	-	-	-	-	-	-	-	477,027
Total revenues	-	-	-	-	-	-	-	1,009,565
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	71,773
Public safety	66,594	-	-	-	-	-	-	530,917
Culture and recreation	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	249,270
Capital outlay	-	-	-	-	-	-	-	103,829
Total expenditures	66,594	-	-	-	-	-	-	955,789
Excess (deficiency) of revenues over (under) expenditures	(66,594)	-	-	-	-	-	-	53,776
OTHER FINANCING SOURCES (USES)								
Operating transfers in	-	-	-	-	-	-	-	49,829
Operating transfers out	-	-	-	-	-	-	-	(46,150)
Total other financing source (uses)	-	-	-	-	-	-	-	3,679
Net change in fund balance	(66,594)	-	-	-	-	-	-	57,455
Fund balance, beginning of year, as previously stated	-	-	-	-	-	-	-	1,818,328
Restatement	327,817	13,662	-	30,754	1,927	3,196	5,250	13,182
Fund balance beginning of year, as restated	327,817	13,662	-	30,754	1,927	3,196	5,250	1,831,510
Fund balance, end of year	\$ 261,223	\$ 13,662	\$ -	\$ 30,754	\$ 1,927	\$ 3,196	\$ 5,250	\$ 1,888,965

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS
SPECIAL REVENUE FUND - RECORDING/FILING
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Charges for services	\$ 6,000	\$ 6,000	\$ 15,193	\$ 9,193
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>15,193</u>	<u>9,193</u>
EXPENDITURES:				
Current:				
General government	<u>8,700</u>	<u>16,600</u>	<u>4,599</u>	<u>12,001</u>
Total expenditures	<u>8,700</u>	<u>16,600</u>	<u>4,599</u>	<u>12,001</u>
Excess (deficiency) of revenues over expenditures	<u>(2,700)</u>	<u>(10,600)</u>	<u>10,594</u>	<u>21,194</u>
Net changes in fund balance Non-GAAP basis	(2,700)	(10,600)	10,594	21,194
Fund balance, beginning of year, as previously stated	18,291	18,291	18,291	-
Restatement	<u>-</u>	<u>-</u>	<u>2,758</u>	<u>2,758</u>
Fund balance beginning of year, as restated	<u>18,291</u>	<u>18,291</u>	<u>21,049</u>	<u>2,758</u>
Fund balance - ending	<u>\$ 15,591</u>	<u>\$ 7,691</u>	<u>\$ 31,643</u>	<u>\$ 23,952</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 10,594	
Revenue accruals		-		
Expenditure accruals		<u>-</u>	<u>-</u>	
Net change in fund balance- GAAP basis			<u>\$ 10,594</u>	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - FARM AND RANGE FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Intergovernmental income	\$ 21,000	\$ 21,000	\$ 5,490	\$ (15,510)
Total revenues	21,000	21,000	5,490	(15,510)
EXPENDITURES:				
Current:				
Health and welfare	30,000	30,000	-	30,000
Total expenditures	30,000	30,000	-	30,000
Excess (deficiency) of revenues over expenditures	(9,000)	(9,000)	5,490	14,490
Net changes in fund balance Non-GAAP basis	(9,000)	(9,000)	5,490	14,490
Fund balance, beginning of year, as previously stated	32,686	32,686	32,686	-
Restatement	-	-	-	-
Fund balance beginning of year, as restated	32,686	32,686	32,686	-
Fund balance - ending	<u>\$ 23,686</u>	<u>\$ 23,686</u>	<u>\$ 38,176</u>	<u>\$ 14,490</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 5,490	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in fund balance - GAAP basis			<u>\$ 5,490</u>	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS
SPECIAL REVENUE FUND - PROPERTY VALUATION
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Charges for services	\$ 28,000	\$ 28,000	\$ 33,801	\$ 5,801
Total revenues	28,000	28,000	33,801	5,801
EXPENDITURES:				
Current:				
General government	16,259	16,259	8,514	7,745
Total expenditures	16,259	16,259	8,514	7,745
Excess (deficiency) of revenues over expenditures	11,741	11,741	25,287	13,546
Net changes in fund balance Non-GAAP basis	11,741	11,741	25,287	13,546
Fund balance, beginning of year, as previously stated	221,797	221,797	221,797	-
Restatement	-	-	8,607	8,607
Fund balance beginning of year, as restated	221,797	221,797	230,404	8,607
Fund balance - ending	\$ 233,538	\$ 233,538	\$ 255,691	\$ 22,153
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 25,287	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in fund balance - GAAP basis			\$ 25,287	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - FIRE FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grant	\$ 336,435	\$ 336,435	\$ 421,329	\$ 84,894
Other income	-	-	2,657	2,657
Total revenues	336,435	336,435	423,986	87,551
EXPENDITURES:				
Current:				
Public safety	614,991	614,991	72,347	542,644
Total expenditures	614,991	614,991	72,347	542,644
Excess (deficiency) of revenues over expenditures	(278,556)	(278,556)	351,639	630,195
Net changes in fund balance Non-GAAP basis	(278,556)	(278,556)	351,639	630,195
Fund balance - beginning of year, as previously stated	793,870	793,870	793,870	-
Restatement	-	-	(1,046,756)	(1,046,756)
Fund balance beginning of year, as restated	793,870	793,870	(252,886)	(1,046,756)
Fund balance - ending	\$ 515,314	\$ 515,314	\$ 98,753	\$ (416,561)
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 351,639	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in fund balance - GAAP basis			\$ 351,639	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - COTTON CITY
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General government	-	-	28,300	28,300
Total expenditures	-	-	28,300	28,300
Excess (deficiency) of revenues over expenditures	-	-	(28,300)	(28,300)
Net changes in fund balance Non-GAAP basis	-	-	(28,300)	(28,300)
Fund balance, beginning of year, as previously stated	-	-	-	-
Restatement	-	-	331,175	331,175
Fund balance beginning of year, as restated	-	-	331,175	331,175
Fund balance - ending	\$ -	\$ -	\$ 302,875	\$ 302,875
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (28,300)	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in fund balance - GAAP basis			\$ (28,300)	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - CORRECTION FEES FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Charges for services	\$ 150,000	\$ 150,000	\$ 119,367	\$ (30,633)
Miscellaneous income	<u>22,000</u>	<u>22,000</u>	<u>23,292</u>	<u>1,292</u>
Total revenues	172,000	172,000	142,659	(29,341)
EXPENDITURES:				
Current:				
Public safety	<u>320,700</u>	<u>320,700</u>	<u>293,116</u>	<u>27,584</u>
Total expenditures	<u>320,700</u>	<u>320,700</u>	<u>293,116</u>	<u>27,584</u>
Excess (deficiency) of revenues over expenditures	<u>(148,700)</u>	<u>(148,700)</u>	<u>(150,457)</u>	<u>1,757</u>
Net changes in fund balance Non-GAAP basis	(148,700)	(148,700)	(150,457)	1,757
Fund balance, beginning of year, as previously stated	380,586	380,586	380,586	-
Restatement	<u>-</u>	<u>-</u>	<u>38,598</u>	<u>38,598</u>
Fund balance beginning of year, as restated	<u>380,586</u>	<u>380,586</u>	419,184	38,598
Fund balance - ending	<u>\$ 231,886</u>	<u>\$ 231,886</u>	<u>\$ 268,727</u>	<u>\$ 36,841</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (150,457)	
Revenue accruals		-		
Expenditure accruals		<u>-</u>	<u>-</u>	
Net change in fund balance - GAAP basis			<u>\$ (150,457)</u>	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - DARE FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Other Income	\$ 1,700	\$ 1,700	\$ 1,784	\$ 84
Total revenues	1,700	1,700	1,784	84
EXPENDITURES:				
Current				
Public Safety	5,400	5,400	188	5,212
Total expenditures	5,400	5,400	188	5,212
Excess (deficiency) of revenues over expenditures	(3,700)	(3,700)	1,596	5,296
Net changes in fund balance Non-GAAP basis	(3,700)	(3,700)	1,596	5,296
Fund balance, beginning of year, as previously stated	54,929	54,929	54,929	-
Restatement	-	-	(13,853)	(13,853)
Fund balance beginning of year, as restated	54,929	54,929	41,076	(13,853)
Fund balance - ending	\$ 51,229	\$ 51,229	\$ 42,672	\$ (8,557)
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 1,596	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in fund balance- GAAP basis			<u>\$ 1,596</u>	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - ANIMAS FIRE
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grant	\$ -	\$ -	\$ 7,299	\$ 7,299
Total revenues	-	-	7,299	7,299
EXPENDITURES:				
Current:				
Public Safety	-	-	42,794	(42,794)
Total expenditures	-	-	42,794	(42,794)
Excess (deficiency) of revenues over expenditures	-	-	(35,495)	(35,495)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Transfers out	-	-	(7,299)	(7,299)
Total other financing sources (uses)	-	-	(7,299)	(7,299)
Net changes in fund balance Non-GAAP basis	-	-	(42,794)	(42,794)
Fund balance, beginning of year, as previously stated	-	-	-	-
Restatement	-	-	250,833	250,833
Fund balance beginning of year, as restated	-	-	250,833	250,833
Fund balance - ending	\$ -	\$ -	\$ 208,039	\$ (42,794)
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (42,794)	
Revenue accruals		-	-	
Expenditure accruals		-	-	
Net change in fund balance - GAAP basis			<u>\$ (42,794)</u>	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - HIDALGO FIRE
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Other income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Public safety	-	-	31,208	(31,208)
Total expenditures	-	-	31,208	(31,208)
Excess (deficiency) of revenues over expenditures	-	-	(31,208)	(31,208)
Net changes in fund balance Non-GAAP basis	-	-	(31,208)	(31,208)
Fund balance, beginning of year, as previously stated	-	-	-	-
Restatement	-	-	61,827	61,827
Fund balance beginning of year, as restated	-	-	61,827	61,827
Fund balance - ending	\$ -	\$ -	\$ 30,619	\$ 30,619
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (31,208)	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in Fund balance - GAAP basis			\$ (31,208)	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - LAW ENFORCEMENT PROTECTION
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grant	\$ 26,000	\$ 26,000	\$ 24,199	\$ (1,801)
Total revenues	26,000	26,000	24,199	(1,801)
EXPENDITURES:				
Current:				
Public safety	26,000	26,000	24,670	1,330
Total expenditures	26,000	26,000	24,670	1,330
Excess (deficiency) of revenues over expenditures	-	-	(471)	(471)
Net changes in fund balance Non-GAAP basis	-	-	(471)	(471)
Fund balance, beginning of year, as previously stated	863	863	863	-
Restatement	-	-	-	-
Fund balance beginning of year, as restated	863	863	863	-
Fund balance - ending	\$ 863	\$ 863	\$ 392	\$ (471)
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (471)	
Revenue accruals		24,200		
Expenditure accruals		-	24,200	
Net change in Fund balance - GAAP basis			\$ 23,729	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - GROSS RECEIPTS / LANDFILL
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Gross Receipts Taxes	\$ -	\$ -	\$ 87,350	\$ 87,350
Total revenues	-	-	87,350	87,350
EXPENDITURES:				
Current:				
Health and Welfare	-	-	99,439	(99,439)
Total expenditures	-	-	99,439	(99,439)
Excess (deficiency) of revenues over expenditures	-	-	(12,089)	(12,089)
Net changes in fund balance Non-GAAP basis	-	-	(12,089)	(12,089)
Fund balance, beginning of year, as previously stated	71,374	71,374	71,374	-
Restatement	-	-	(37,388)	(37,388)
Fund balance beginning of year, as restated	71,374	71,374	33,986	(37,388)
Fund balance - ending	\$ 71,374	\$ 71,374	\$ 21,897	\$ (49,477)
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (12,089)	
Revenue accruals		9,994		
Expenditure accruals		738	9,256	
Net change in Fund balance - GAAP basis			\$ (2,833)	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - INDIGENT CARE FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Gross Receipts Taxes	\$ 90,000	\$ 90,000	\$ 85,390	\$ (4,610)
Total revenues	90,000	90,000	85,390	(4,610)
EXPENDITURES:				
Current:				
Health and welfare	153,800	153,800	109,532	44,268
Total expenditures	153,800	153,800	109,532	44,268
Excess (deficiency) of revenues over expenditures	(63,800)	(63,800)	(24,142)	39,658
Net changes in fund balance Non-GAAP basis	(63,800)	(63,800)	(24,142)	39,658
Fund balance, beginning of year, as previously stated	75,700	75,700	75,700	-
Restatement	-	-	(14,118)	(14,118)
Fund balance beginning of year, as restated	75,700	75,700	61,582	(14,118)
Fund balance - ending	\$ 11,900	\$ 11,900	\$ 37,440	\$ 25,540
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (24,142)	
Revenue accruals		9,994		
Expenditure accruals		-	9,994	
Net change in Fund balance- GAAP basis			\$ (14,148)	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - GROSS RECEIPTS / ENVIRONMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Gross receipts taxes	\$ 31,000	\$ 31,000	\$ 30,606	\$ (394)
Total revenues	31,000	31,000	30,606	(394)
EXPENDITURES:				
Current:				
Operating expenditures	-	-	-	-
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	31,000	31,000	30,606	(394)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing sources (uses)	(30,000)	(30,000)	(30,000)	-
Net changes in fund balance Non-GAAP basis	1,000	1,000	606	(394)
Fund balance, beginning of year, as previously stated	82,274	82,274	82,274	-
Restatement	-	-	(5,785)	(5,785)
Fund balance beginning of year, as restated	82,274	82,274	76,489	(5,785)
Fund balance - ending	\$ 83,274	\$ 83,274	\$ 77,095	\$ (6,179)
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 606	
Revenue accruals		4,055		
Expenditure accruals		-	4,055	
Net change in Fund balance - GAAP basis			\$ 4,661	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - EMS GRANT FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Intergovernmental income	\$ 38,852	\$ 92,852	\$ 94,080	\$ 1,228
Total revenues	38,852	92,852	94,080	1,228
EXPENDITURES:				
Current:				
Health and welfare	38,852	38,852	39,561	(709)
Capital outlay	-	-	103,829	(103,829)
Total expenditures	38,852	38,852	143,390	(104,538)
Excess (deficiency) of revenues over expenditures	-	54,000	(49,310)	(103,310)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	49,829	49,829
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	49,829	49,829
Net changes in fund balance Non-GAAP basis	-	54,000	519	(53,481)
Fund balance, beginning of year, as previously stated	22,921	22,921	22,921	-
Restatement	-	-	5,348	5,348
Fund balance beginning of year, as restated	22,921	22,921	28,269	5,348
Fund balance - ending	\$ 22,921	\$ 76,921	\$ 28,788	\$ (48,133)
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 519	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in Fund balance - GAAP basis			\$ 519	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - HIDALGO COMPLEX FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Other income	\$ -	\$ -	\$ 162	\$ 162
Total revenues	-	-	162	162
EXPENDITURES:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	162	162
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Transfers out	-	-	(8,851)	(8,851)
Total other financing sources (uses)	-	-	(8,851)	(8,851)
Net changes in fund balance Non-GAAP basis	-	-	(8,689)	(8,689)
Fund balance, beginning of year, as previously stated	-	-	8,851	8,851
Restatement	-	-	-	-
Fund balance beginning of year, as restated	-	-	8,851	8,851
Fund balance - ending	\$ -	\$ -	\$ 162	\$ 162
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (8,689)	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in fund balance - GAAP basis			\$ (8,689)	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - LODGER'S TAX FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Lodger's tax	\$ 3,300	\$ 3,300	\$ 155	\$ (3,145)
Total revenues	3,300	3,300	155	(3,145)
EXPENDITURES:				
Current:				
Health and welfare	3,000	3,000	-	3,000
Total expenditures	3,000	3,000	-	3,000
Excess (deficiency) of revenues over expenditures	300	300	155	(145)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance Non-GAAP basis	300	300	155	(145)
Fund balance, beginning of year, as previously stated	6,543	6,543	6,543	-
Restatement	-	-	-	-
Fund balance beginning of year, as restated	6,543	6,543	6,543	-
Fund balance - ending	\$ 6,843	\$ 6,843	\$ 6,698	\$ (145)
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 155	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in fund balance- GAAP basis			\$ 155	

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STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - RECYCLABLE MONIES FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Charges for services	\$ -	\$ -	\$ 9,168	\$ 9,168
Total revenues	-	-	9,168	9,168
EXPENDITURES:				
Current:				
General government'	-	-	1,930	(1,930)
Total expenditures	-	-	1,930	(1,930)
Excess (deficiency) of revenues over expenditures	-	-	7,238	7,238
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	7,238	7,238
Fund balance, beginning of year, as previously stated	47,643	47,643	47,643	-
Restatement	-	-	-	-
Fund balance beginning of year, as restated	47,643	47,643	47,643	-
Fund balance - ending	\$ 47,643	\$ 47,643	\$ 54,881	\$ 7,238
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 7,238	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in Fund balance - GAAP basis			\$ 7,238	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - RODEO FIRE FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grant	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General Government	-	-	28,430	(28,430)
Total expenditures	-	-	28,430	(28,430)
Excess (deficiency) of revenues over expenditures	-	-	(28,430)	(28,430)
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	(28,430)	(28,430)
Fund balance, beginning of year, as previously stated	-	-	-	-
Restatement	-	-	49,330	49,330
Fund balance beginning of year, as restated	-	-	49,330	49,330
Fund balance - ending	\$ -	\$ -	\$ 20,900	\$ 20,900
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (28,430)	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in Fund balance - GAAP basis			\$ (28,430)	

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STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - PLAYAS FIRE FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grant	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Public Safety	-	-	66,594	(66,594)
Total expenditures	-	-	66,594	(66,594)
Excess (deficiency) of revenues over expenditures	-	-	(66,594)	(66,594)
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	(66,594)	(66,594)
Fund balance, beginning of year, as previously stated	-	-	-	-
Restatement	-	-	327,817	327,817
Fund balance beginning of year, as restated	-	-	327,817	327,817
Fund balance - ending	\$ -	\$ -	\$ 261,223	\$ 261,223
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (66,594)	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in Fund balance - GAAP basis			<u>\$ (66,594)</u>	

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STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - GILA NEBLETTFUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grant	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance, beginning of year, as previously stated	-	-	-	-
Restatement	-	-	13,662	13,662
Fund balance beginning of year, as restated	-	-	13,662	13,662
Fund balance - ending	\$ -	\$ -	\$ 13,662	\$ 13,662
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ -	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in Fund balance- GAAP basis			\$ -	

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STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - ENHANCED 911 FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grant	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance, beginning of year, as previously stated	-	-	-	-
Restatement	-	-	-	-
Fund balance beginning of year, as restated	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ -	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in Fund balance - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - SPECIAL INVESTIGATIONS
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grant	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Operating expenditures	-	-	-	-
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance, beginning of year, as previously stated	-	-	-	-
Restatement	-	-	30,754	30,754
Fund balance beginning of year, as restated	-	-	30,754	30,754
Fund balance - ending	\$ -	\$ -	\$ 30,754	\$ 30,754
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ -	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in Fund balance - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - RESERVE FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grant	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Operating expenditures	-	-	-	-
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance, beginning of year, as previously stated	-	-	-	-
Restatement	-	-	1,927	1,927
Fund balance beginning of year, as restated	-	-	1,927	1,927
Fund balance - ending	\$ -	\$ -	\$ 1,927	\$ 1,927
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ -	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in Fund balance - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - JAIL FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grant	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance, beginning of year, as previously stated	-	-	-	-
Restatement	-	-	3,196	3,196
Fund balance beginning of year, as restated	-	-	3,196	3,196
Fund balance - ending	\$ -	\$ -	\$ 3,196	\$ 3,196
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ -	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in Fund balance - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - FAIR ACCOUNT FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grant	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance, beginning of year, as previously stated	-	-	-	-
Restatement	-	-	5,250	5,250
Fund balance beginning of year, as restated	-	-	5,250	5,250
Fund balance - ending	\$ -	\$ -	\$ 5,250	\$ 5,250
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ -	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in Fund balance - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements

CAPITAL PROJECTS FUND

STATE OF NEW MEXICO, HIDALGO COUNTY
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND
JUNE 30, 2015

ASSETS

Cash	\$ 246,653
Taxes receivables	<u>467</u>
Total assets	<u>247,120</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts payable	<u>-</u>
Total liabilities	-
Fund balance	
Restricted for capital projects	<u>247,120</u>
Total liabilities and fund balance	<u>\$ 247,120</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2015

REVENUES	
Other income	<u>\$ 17,126</u>
Total revenues	17,126
EXPENDITURES	
Current:	
Health and welfare	<u>15,150</u>
Total expenditures	<u>15,150</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,976</u>
Total other financing source (uses)	<u>-</u>
Net change in fund balance	1,976
Fund balance, beginning of year as previously stated	255,275
Restatement	<u>(10,131)</u>
Fund balance, beginning of year as restated	<u>245,144</u>
Fund balance, end of year	<u>\$ 247,120</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND
ACTUAL ON BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Other income	\$ 14,400	\$ 14,400	\$ 16,659	\$ 2,259
Total revenues	14,400	14,400	16,659	2,259
EXPENDITURES:				
Current:				
Health and welfare	76,328	76,328	15,150	61,178
Total expenditures	76,328	76,328	15,150	61,178
Excess (deficiency) of revenues over expenditures	(61,928)	(61,928)	1,509	63,437
Net changes in fund balance Non-GAAP basis	(61,928)	(61,928)	1,509	63,437
Fund balance - beginning of year as previously restated	255,275	255,275	255,275	-
Restatement	-	-	(10,131)	-
Fund balance - beginning of year as restated	255,275	255,275	245,144	-
Fund balance - end of year	\$ 193,347	\$ 193,347	\$ 246,653	\$ 53,306
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 1,509	
Revenue accruals		467		
Expenditure accruals		-	467	
Net change in Fund balance - GAAP basis			\$ 1,976	

See independent auditors' report and accompanying notes to financial statements

DEBT SERVICE FUND

STATE OF NEW MEXICO, HIDALGO COUNTY
COMBINING BALANCE SHEET
DEBT SERVICE FUND
JUNE 30, 2015

ASSETS

Cash and cash equivalents	\$ -
	<hr/>
Total assets	<hr/> -

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts payable	-
	<hr/>
Total liabilities	-
Fund balance	
Reserved for debt service	-
	<hr/>
Total liabilities and fund balance	\$ -

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
 COMBINING BALANCE SHEET
 DEBT SERVICE FUND
 JUNE 30, 2015

REVENUES	
Intergovernmental income	\$ <u> -</u>
Total revenues	-
EXPENDITURES	
Debt service interest	136,249
Debt service principal	<u>126,397</u>
Total expenditures	<u>262,646</u>
Excess (deficiency) of revenues over (under) expenditures	(262,646)
OTHER FINANCING SOURCES (USES)	
Operating transfers in	<u>262,646</u>
Total other financing source (uses)	<u>262,646</u>
Net change in fund balance	-
Fund balance, beginning of year	<u> -</u>
Fund balance, end of year	<u>\$ -</u>

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND
ACTUAL ON BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Loan revenue	\$ 308,657	\$ 308,657	\$ -	\$ (308,657)
Total revenues	308,657	308,657	-	(308,657)
EXPENDITURES:				
Debt service interest	-	-	136,249	(136,249)
Debt service principal	308,657	308,657	126,397	182,260
Total expenditures	308,657	308,657	262,646	46,011
Excess (deficiency) of revenues over expenditures	-	-	(262,646)	(262,646)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	262,646	262,646
Total other financing sources (uses)	-	-	262,646	262,646
Net changes in fund balance Non- GAAP basis	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ -	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in Fund balance - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements

PROPRIETARY FUND BUDGET

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND
ACTUAL ON BUDGETARY BASIS
PROPRIETARY FUND - AMBULANCE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Charges for services	\$ 260,000	\$ 260,000	\$ 331,837	\$ 71,837
Miscellaneous revenue	<u>25,000</u>	<u>25,000</u>	<u>8,216</u>	<u>(16,784)</u>
Total revenues	285,000	285,000	340,053	55,053
EXPENDITURES:				
Current:				
Personnel expenses	502,029	514,029	309,342	204,687
Depreciation	-	-	31,334	(31,334)
Other operating costs	<u>-</u>	<u>-</u>	<u>127,581</u>	<u>127,581</u>
Total expenditures	<u>502,029</u>	<u>514,029</u>	<u>468,257</u>	<u>45,772</u>
Excess (deficiency) of revenues over expenditures	(217,029)	(229,029)	(128,204)	100,825
OTHER FINANCING SOURCES (USES)				
Transfer in	217,029	266,937	266,937	-
Transfers out	<u>-</u>	<u>-</u>	<u>(49,829)</u>	<u>(49,829)</u>
Total other financing sources (uses)	<u>217,029</u>	<u>266,937</u>	<u>217,108</u>	<u>(49,829)</u>
Net changes in fund balance Non-GAAP basis	-	37,908	88,904	50,996
Fund balance, beginning of year, as previously stated	347,282	347,282	347,282	-
Restatement	<u>-</u>	<u>-</u>	<u>90,514</u>	<u>90,514</u>
Fund balance beginning of year, as restated	<u>347,282</u>	<u>347,282</u>	<u>437,796</u>	<u>90,514</u>
Fund balance - ending	<u>\$ 347,282</u>	<u>\$ 385,190</u>	<u>\$ 526,700</u>	<u>\$ 141,510</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 88,904	
Revenue accruals		-		
Expenditure accruals		<u>(3,295)</u>	<u>(3,295)</u>	
Net change in Fund balance- GAAP basis			<u>\$ 85,609</u>	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO, HIDALGO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ON BUDGETARY BASIS
PROPRIETARY FUND - C & C FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Charges for services	\$ 164,500	\$ 164,500	\$ 195,838	\$ 31,338
Gross receipts - dedicated	85,000	85,000	-	(85,000)
Miscellaneous revenue	29,000	29,000	-	(29,000)
Total revenues	278,500	278,500	195,838	(82,662)
EXPENDITURES:				
Current:				
Personnel expenses	534,580	534,580	149,780	384,800
Depreciation	-	-	12,688	(12,688)
Other operating costs	-	-	155,664	(155,664)
Total expenditures	534,580	534,580	318,132	216,448
Excess (deficiency) of revenues over expenditures	(256,080)	(256,080)	(122,294)	133,786
OTHER FINANCING SOURCES (USES)				
Transfer in	206,248	206,248	206,249	1
Transfers out	-	-	-	-
Total other financing sources (uses)	206,248	206,248	206,249	1
Net changes in fund balance Non-GAAP basis	(49,832)	(49,832)	83,955	133,787
Fund balance, beginning of year, as previously stated	147,872	147,872	147,872	-
Restatement	-	-	(67,982)	(67,982)
Fund balance beginning of year, as restated	147,872	147,872	79,890	(67,982)
Fund balance - ending	\$ 98,040	\$ 98,040	\$ 163,845	\$ 65,805
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 83,955	
Revenue accruals		-		
Expenditure accruals		(1,786)	(1,786)	
Net change in Fund balance - GAAP basis			\$ 82,169	

See independent auditors' report and accompanying notes to financial statements

AGENCY FUND

STATE OF NEW MEXICO, HIDALGO COUNTY
FIDUCIARY - AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2015

Fiduciary - Agency Funds

These funds are used to account for monies held by the County in a custodial capacity.

Taxes Collected for Others

As the taxing and collecting authority for proprietary taxes, the County maintains this fund to account for taxes collected on behalf of other governments until their distribution.

STATE OF NEW MEXICO, HIDALGO COUNTY
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
 AGENCY FUNDS
 JUNE 30, 2015

Taxes collected for others	<u>Balance</u> <u>6/30/14</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/15</u>
ASSETS				
Cash and cash equivalents	\$ 128	\$3,147,632	\$ (3,139,090)	\$ 8,670
Taxes receivable	<u>331,984</u>	<u>1,608,518</u>	<u>(1,619,811)</u>	<u>320,691</u>
Total assets	<u>\$ 332,112</u>	<u>\$4,756,150</u>	<u>\$ (4,758,901)</u>	<u>\$ 329,361</u>
LIABILITIES				
Deferred revenue	\$ 331,984	\$1,608,518	\$ (1,619,811)	\$ 320,691
Taxes paid in advance	<u>128</u>	<u>3,147,632</u>	<u>(3,139,090)</u>	<u>8,670</u>
Total liabilities	<u>\$ 332,112</u>	<u>\$4,756,150</u>	<u>\$ (4,758,901)</u>	<u>\$ 329,361</u>

The additions and reductions in other agency funds could not be determined. Consequently, a schedule cannot be presented for other agency funds. Ending balances are presented before the notes.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF DEPOSITORIES
JUNE 30, 2015

	<u>Type</u>	<u>Amount Per Bank</u>	<u>Plus DIT</u>	<u>Outstanding Checks</u>	<u>Balance Per Books</u>
Western Bank					
Operating	CK	\$ 4,568,963	\$ 1,223	\$ 22,138	\$ 4,548,048
Money market	MM	1,971,723	-	-	1,971,723
Payroll Clearing	CK	8,977	-	-	8,977
Tax suspense	CK	-	-	-	-
Payroll tax	CK	-	-	-	-
Sheriff's Bond	CK	-	-	-	-
Sheriff's Investigation	CK	30,754	-	-	30,754
Warrant Account	CK	202,863	-	-	202,863
HCDC	CK	3,476	-	-	3,476
Reserve Deputy	CK	1,927	-	-	1,927
Fair Account	CK	5,250	-	-	5,250
Jail Trust	CK	3,196	-	-	3,196
HCDC - Jail Trust	CK	5,303	-	-	5,303
P-Card	CK	1,319	-	-	1,319
Time Deposit	CD	-	-	-	-
Overnight	MM	102,459	-	-	102,459
		<u>6,906,210</u>	<u>1,223</u>	<u>22,138</u>	<u>6,885,295</u>
Western Bank Total					
		6,906,210	1,223	22,138	6,885,295
Sub-total					
		6,906,210	1,223	22,138	6,885,295
NM State Investment Pool		102,188	-	-	102,188
Petty Cash		<u>600</u>	<u>-</u>	<u>-</u>	<u>600</u>
Total		<u>\$ 7,008,998</u>	<u>\$ 1,223</u>	<u>\$ 22,138</u>	<u>\$ 6,988,083</u>

Reconciliation to financial statements:

Cash and cash equivalents	\$ 4,280,443
Restricted funds	2,690,191
Agency funds	17,449
Miscellaneous	<u>-</u>

Total Cash and Investments, Primary Government \$ 6,988,083

Type:

CK = Checking
MM = Money Market
CD = Certificate of Deposit

	<u>Western</u>
Amount held in bank June 30, 2015	6,906,210
Less FDIC Insurance	<u>(250,000)</u>
Uninsured Public Funds	6,656,210
50% Collateral Requirement (Section 6-10-17 NMSA-1978)	3,328,105
Pledged Securities	<u>4,087,887</u>
Over (Under) Collateralized	<u>\$ 759,782</u>

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY FOR PUBLIC FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

<u>Description of Pledged Collateral</u>	<u>Amount</u>	<u>Name and Location of Safekeeper</u>
New Mexico issued securities (at face value)		
Clovis NM Muni Sch Dist #1 CUSIP 1894114KX2 Maturing 8/1/2027	\$ 725,000	Federal Home Loan Bank of Dallas
Dulce NM School CUSIP#264430JZ3, Maturing 7/1/15	70,000	Federal Home Loan Bank of Dallas
Dulce NM School CUSIP#264430HJ1, Maturing 3/1/18	400,000	Federal Home Loan Bank of Dallas
Dulce NM School CUSIP#264430KH1 Maturing 9/1/16	280,000	Federal Home Loan Bank of Dallas
Espanola NM Pub School CUSIP#296628BQ2, Maturing 7/1/17	300,000	Federal Home Loan Bank of Dallas
Gadsden NM School CUSIP#362550KQ7, Maturing 8/15/17	400,000	Federal Home Loan Bank of Dallas
Lovington NM Mun CUSIP#547473CZ9, Maturing 9/1/21	500,000	Federal Home Loan Bank of Dallas
Santa Fe Cnty NM CUSIP#801889LU8, Maturing 7/1/22	250,000	Federal Home Loan Bank of Dallas
Silver City NM Cons CUSIP#827513EW8, Maturing 9/1/16	370,000	Federal Home Loan Bank of Dallas
Socorro County CUSIP#833679CD3, Maturing 7/1/14	390,000	Federal Home Loan Bank of Dallas
T or C ETC SD #6 CUSIP#898439DY7, Maturing 8/1/2023	<u>300,000</u>	Federal Home Loan Bank of Dallas
Total New Mexico issued securities	3,985,000	Federal Home Loan Bank of Dallas
Federal securities (at market value)		
FNMA REMIC CUSIP#312906XG0, Maturing 8/15/21	17,937	Federal Home Loan Bank of Dallas
FNMA CUSIP#31391HGMO, Maturing 9/25/32	<u>84,950</u>	Federal Home Loan Bank of Dallas
Total federal securities	<u>102,887</u>	Federal Home Loan Bank of Dallas
Total pledged securities	<u>\$ 4,087,887</u>	Federal Home Loan Bank of Dallas

STATE OF NEW MEXICO, HIDALGO COUNTY
TAX ROLL RECONCILIATION OF CHANGES IN THE COUNTY TREASURER'S PROPERTY TAXES
RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2015

Property taxes receivable, beginning as previously stated	\$ 651,441
Adjustment	<u>(7,737)</u>
Property taxes receivable, beginning as adjusted	643,704
Changes to tax roll:	
Net taxes charged to treasurer for fiscal year	3,281,594
Adjustments:	
Increases in taxes receivables	1,228,074
Charge off of taxes receivables	<u>(1,028,941)</u>
Total receivables prior to collections	4,124,431
Collections for fiscal year ended June 30, 2015	<u>(3,426,018)</u>
Property taxes receivable, ending	<u>\$ 698,413</u>

Property taxes receivable by
years:

2005	\$	1,430
2006		509
2007		36,533
2008		37,530
2009		37,938
2010		32,364
2011		35,864
2012		144,632
2013		158,190
2014		<u>213,423</u>
		<u>\$ 698,413</u>

STATE OF NEW MEXICO, HIDALGO COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Taxes Receivable at 7/1/14 as previously stated	Adjustments	Taxes Receivable at 7/1/14 as adjusted	Net Taxes Charged to Treasurer (including adjustments)	Collections	Taxes Receivable at 6/30/15	Distributions
Municipalities	\$ 22,911	\$ (11,734)	\$ 11,177	\$ 117,045	\$ (116,680)	\$ 11,542	\$ 211,369
Hidalgo County	339,839	47	339,886	1,844,043	(1,806,207)	377,722	3,590,781
State of New Mexico	42,976	2	42,978	261,398	(258,068)	46,308	508,184
Schools	<u>245,715</u>	<u>3,948</u>	<u>249,663</u>	<u>1,258,241</u>	<u>(1,245,063)</u>	<u>262,841</u>	<u>2,419,537</u>
	<u>\$ 651,441</u>	<u>\$ (7,737)</u>	<u>\$ 643,704</u>	<u>\$ 3,480,727</u>	<u>\$ (3,426,018)</u>	<u>\$ 698,413</u>	<u>\$ 6,729,871</u>

STATE OF NEW MEXICO, HIDALGO COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

<u>Agency</u>		<u>Property Taxes Levied</u>	<u>Collected in Current Year 6/30/15</u>	<u>Collected To Date</u>	<u>Distributed in Current Year 6/30/15</u>	<u>Distributed to Date</u>	<u>Increase in Taxes</u>	<u>Decrease in Taxes</u>	<u>County Receivable at Year End</u>
Municipalities									
City of Lordsburg	2005	\$ 58,176	\$ 78	\$ 58,204	\$ 79	\$ 59,172	\$ 990	\$ 22	\$ (28)
City of Lordsburg	2006	61,707	162	61,815	161	61,461	386	740	(108)
City of Lordsburg	2007	66,064	278	65,440	279	65,501	377	316	624
City of Lordsburg	2008	70,265	393	69,735	393	70,043	1,570	1,262	530
City of Lordsburg	2009	67,391	705	67,086	704	68,887	1,887	86	305
City of Lordsburg	2010	67,296	2,176	68,178	2,176	69,195	1,057	40	(882)
City of Lordsburg	2011	70,884	3,899	71,882	3,903	71,926	71	27	(998)
City of Lordsburg	2012	71,736	7,821	73,329	8,048	73,558	241	12	(1,593)
City of Lordsburg	2013	103,991	4,986	99,469	99,486	99,486	97	80	4,522
City of Lordsburg	2014	<u>105,352</u>	<u>96,182</u>	<u>96,182</u>	<u>96,140</u>	<u>96,140</u>	<u>243</u>	<u>285</u>	<u>9,170</u>
Total		<u>\$ 742,862</u>	<u>\$ 116,680</u>	<u>\$ 731,320</u>	<u>\$ 211,369</u>	<u>\$ 735,369</u>	<u>\$ 6,919</u>	<u>\$ 2,870</u>	<u>\$ 11,542</u>
Total Municipalities		<u>\$ 742,862</u>	<u>\$ 116,680</u>	<u>\$ 731,320</u>	<u>\$ 211,369</u>	<u>\$ 735,369</u>	<u>\$ 6,919</u>	<u>\$ 2,870</u>	<u>\$ 11,542</u>

STATE OF NEW MEXICO, HIDALGO COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

<u>Agency</u>		<u>Property Taxes Levied</u>	<u>Collected in Current Year 6/30/15</u>	<u>Collected To Date</u>	<u>Distributed in Current Year 6/30/15</u>	<u>Distributed to Date</u>	<u>Increase in Taxes</u>	<u>Decrease in Taxes</u>	<u>County Receivable at Year End</u>
Hidalgo County									
General ad valorem	2005	\$ 1,385,870	\$ 173	\$ 1,385,189	\$ 458	\$ 1,408,066	\$ 23,461	\$ 584	\$ 681
General ad valorem	2006	1,472,494	333	1,472,238	991	1,463,811	9,160	17,587	256
General ad valorem	2007	1,586,512	369	1,567,358	2,194	1,568,675	9,126	7,809	19,154
General ad valorem	2008	1,674,815	533	1,655,139	2,151	1,662,364	37,197	29,972	19,676
General ad valorem	2009	1,604,065	875	1,584,106	3,970	1,626,716	44,730	2,120	19,959
General ad valorem	2010	1,601,029	2,493	1,584,653	14,180	1,608,446	24,859	1,066	16,376
General ad valorem	2011	1,699,690	6,457	1,681,198	51,198	1,682,571	258,655	257,282	18,492
General ad valorem	2012	1,714,468	15,972	1,638,187	78,494	1,644,136	223,986	218,037	76,281
General ad valorem	2013	1,792,604	58,595	1,710,347	1,713,494	1,713,494	3,637	490	82,257
General ad valorem	2014	<u>1,844,424</u>	<u>1,719,950</u>	<u>1,719,950</u>	<u>1,721,838</u>	<u>1,721,838</u>	<u>3,249</u>	<u>1,361</u>	<u>124,474</u>
Total General ad valorem		\$16,375,971	\$ 1,805,750	\$15,998,365	\$ 3,588,968	\$16,100,117	\$ 638,060	\$ 536,308	\$ 377,606

STATE OF NEW MEXICO, HIDALGO COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

<u>Agency</u>		<u>Property Taxes Levied</u>	<u>Collected in Current Year 6/30/15</u>	<u>Collected To Date</u>	<u>Distributed in Current Year 6/30/15</u>	<u>Distributed to Date</u>	<u>Increase in Taxes</u>	<u>Decrease in Taxes</u>	<u>County Receivable at Year End</u>
Hidalgo County (Continued)									
Non-rendition fees	2005	\$ 74	\$ -	\$ 74	\$ -	\$ 216	\$ 142	\$ -	\$ -
Non-rendition fees	2006	66	-	66	-	66	-	-	-
Non-rendition fees	2007	-	-	-	-	-	-	-	-
Non-rendition fees	2008	305	-	305	-	516	266	55	-
Non-rendition fees	2009	575	-	575	-	73	47	549	-
Non-rendition fees	2010	64	-	64	-	305	241	-	-
Non-rendition fees	2011	118	-	118	-	136	18	-	-
Non-rendition fees	2012	692	39	673	186	668	-	5	19
Non-rendition fees	2013	1,032	(250)	661	959	959	-	11	62
Non-rendition fees	2014	706	668	668	668	668	-	3	35
Total Non-rendition fees		<u>\$ 3,632</u>	<u>\$ 457</u>	<u>\$ 3,204</u>	<u>\$ 1,813</u>	<u>\$ 3,607</u>	<u>\$ 714</u>	<u>\$ 623</u>	<u>\$ 116</u>
Total Hidalgo County		<u>\$16,379,603</u>	<u>\$ 1,806,207</u>	<u>\$16,001,569</u>	<u>\$ 3,590,781</u>	<u>\$16,103,724</u>	<u>\$ 638,774</u>	<u>\$ 536,931</u>	<u>\$ 377,722</u>

STATE OF NEW MEXICO, HIDALGO COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

<u>Agency</u>		<u>Property Taxes Levied</u>	<u>Collected in Current Year 6/30/15</u>	<u>Collected To Date</u>	<u>Distributed in Current Year 6/30/15</u>	<u>Distributed to Date</u>	<u>Increase in Taxes</u>	<u>Decrease in Taxes</u>	<u>County Receivable at Year End</u>
State of New Mexico									
Cattle	2005	\$ 21,299	\$ -	\$ 20,908	\$ -	\$ 20,929	\$ 21	\$ -	\$ 391
Cattle	2006	24,727	-	24,727	-	24,603	27	151	-
Cattle	2007	31,709	-	31,709	-	30,290	4,665	6,084	-
Cattle	2008	32,973	-	32,973	-	34,613	3,985	2,345	-
Cattle	2009	23,451	-	23,378	-	32,980	9,690	88	73
Cattle	2010	23,667	115	23,485	122	23,487	52	50	182
Cattle	2011	27,168	-	26,967	4	26,857	-	110	201
Cattle	2012	34,023	257	33,746	1,540	33,667	-	79	277
Cattle	2013	39,165	982	38,695	38,621	38,621	7	81	470
Cattle	2014	<u>43,008</u>	<u>42,299</u>	<u>42,299</u>	<u>42,208</u>	<u>42,208</u>	<u>-</u>	<u>91</u>	<u>709</u>
Total Cattle		\$ 301,190	\$ 43,653	\$ 298,887	\$ 82,495	\$ 308,255	\$ 18,447	\$ 9,079	\$ 2,303
Equines	2005	\$ 1,669	\$ -	\$ 1,643	\$ -	\$ 1,616	\$ 1	\$ 28	\$ 26
Equines	2006	1,981	-	1,958	-	1,953	-	5	23
Equines	2007	1,635	-	1,635	-	1,615	-	20	-
Equines	2008	-	-	-	-	-	-	-	-
Equines	2009	871	-	863	6	861	-	2	8
Equines	2010	927	106	1,010	16	898	-	112	(83)
Equines	2011	909	2	892	38	878	-	14	17
Equines	2012	953	36	921	129	903	-	18	32
Equines	2013	782	29	693	693	693	3	3	89
Equines	2014	<u>716</u>	<u>620</u>	<u>620</u>	<u>617</u>	<u>617</u>	<u>-</u>	<u>3</u>	<u>96</u>
Total Equines		\$ 10,443	\$ 793	\$ 10,235	\$ 1,499	\$ 10,034	\$ 4	\$ 205	\$ 208

STATE OF NEW MEXICO, HIDALGO COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

<u>Agency</u>		<u>Property Taxes Levied</u>	<u>Collected in Current Year 6/30/15</u>	<u>Collected To Date</u>	<u>Distributed in Current Year 6/30/15</u>	<u>Distributed to Date</u>	<u>Increase in Taxes</u>	<u>Decrease in Taxes</u>	<u>County Receivable at Year End</u>
State of New Mexico (continued)									
Bison	2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bison	2006	-	-	-	-	-	-	-	-
Bison	2007	-	-	-	-	-	-	-	-
Bison	2008	-	-	-	-	-	-	-	-
Bison	2009	-	-	-	-	-	-	-	-
Bison	2010	-	-	-	-	-	-	-	-
Bison	2011	-	-	-	-	-	-	-	-
Bison	2012	347	-	347	-	347	-	-	-
Bison	2013	288	-	288	-	288	-	-	-
Bison	2014	<u>304</u>	<u>304</u>	<u>304</u>	<u>304</u>	<u>304</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Bison		\$ 939	\$ 304	\$ 939	\$ 304	\$ 939	\$ -	\$ -	\$ -
Sheep	2005	\$ 15	\$ -	\$ -	\$ -	\$ 15	\$ -	\$ -	\$ -
Sheep	2006	18	-	-	-	18	-	-	-
Sheep	2007	12	-	-	-	12	-	-	-
Sheep	2008	10	-	-	-	10	-	-	-
Sheep	2009	10	-	-	-	10	-	-	-
Sheep	2010	19	-	-	-	12	-	7	-
Sheep	2011	44	-	-	-	17	-	27	-
Sheep	2012	46	-	-	-	26	-	20	-
Sheep	2013	28	-	-	28	28	-	-	-
Sheep	2014	<u>15</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total Sheep		\$ 217	\$ -	\$ -	\$ 42	\$ 162	\$ -	\$ 54	\$ 1

STATE OF NEW MEXICO, HIDALGO COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

<u>Agency</u>		<u>Property Taxes Levied</u>	<u>Collected in Current Year 6/30/15</u>	<u>Collected To Date</u>	<u>Distributed in Current Year 6/30/15</u>	<u>Distributed to Date</u>	<u>Increase in Taxes</u>	<u>Decrease in Taxes</u>	<u>County Receivable at Year End</u>
State of New Mexico (continued)									
Dairy	2005	\$ 2	\$ -	\$ 2	\$ -	\$ 2	\$ -	\$ -	\$ -
Dairy	2006	5	-	5	-	5	-	-	-
Dairy	2007	2	-	2	-	2	-	-	-
Dairy	2008	2	-	2	-	2	-	-	-
Dairy	2009	-	-	-	-	-	-	-	-
Dairy	2010	9	-	9	-	9	-	-	-
Dairy	2011	9	-	9	-	9	-	-	-
Dairy	2012	2	-	2	-	2	-	-	-
Dairy	2013	11	-	11	11	11	-	-	-
Dairy	2014	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Dairy		\$ 51	\$ 9	\$ 51	\$ 20	\$ 51	\$ -	\$ -	\$ -
Goats	2005	\$ 13	\$ -	\$ 13	\$ -	\$ 13	\$ -	\$ -	\$ -
Goats	2006	15	-	15	-	15	-	-	-
Goats	2007	28	-	28	-	28	-	-	-
Goats	2008	23	-	23	-	23	-	-	-
Goats	2009	11	-	11	-	10	-	1	-
Goats	2010	21	-	21	-	20	-	1	-
Goats	2011	22	-	22	-	22	-	-	-
Goats	2012	26	-	26	-	26	-	-	-
Goats	2013	32	-	32	33	33	1	-	-
Goats	2014	<u>33</u>	<u>33</u>	<u>33</u>	<u>33</u>	<u>33</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Goats		\$ 224	\$ 33	\$ 224	\$ 66	\$ 223	\$ 1	\$ 2	\$ -

STATE OF NEW MEXICO, HIDALGO COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

<u>Agency</u>		<u>Property Taxes Levied</u>	<u>Collected in Current Year 6/30/15</u>	<u>Collected To Date</u>	<u>Distributed in Current Year 6/30/15</u>	<u>Distributed to Date</u>	<u>Increase in Taxes</u>	<u>Decrease in Taxes</u>	<u>County Receivable at Year End</u>
State of New Mexico (continued)									
Swine	2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Swine	2006	-	-	-	-	-	-	-	-
Swine	2007	9	-	9	-	9	-	-	-
Swine	2008	-	-	-	-	-	-	-	-
Swine	2009	-	-	-	-	-	-	-	-
Swine	2010	-	-	-	-	-	-	-	-
Swine	2011	-	-	-	-	-	-	-	-
Swine	2012	17	-	17	-	17	-	-	-
Swine	2013	14	-	14	-	14	-	-	-
Swine	2014	19	-	19	-	19	-	-	-
Total Swine		\$ 59	\$ -	\$ 59	\$ -	\$ 59	\$ -	\$ -	\$ -
State Operational	2005	\$ 144,607	\$ 18	\$ 144,536	\$ 48	\$ 146,918	\$ 2,443	\$ 61	\$ 71
State Operational	2006	160,384	36	160,356	108	159,438	998	1,916	28
State Operational	2007	164,186	38	162,213	227	162,348	940	805	1,973
State Operational	2008	176,667	57	174,592	227	175,354	3,924	3,162	2,075
State Operational	2009	155,669	85	153,732	385	157,867	4,341	206	1,937
State Operational	2010	214,704	344	212,537	1,970	215,658	3,263	142	2,167
State Operational	2011	199,943	771	197,775	6,095	197,931	29,729	29,573	2,168
State Operational	2012	200,925	1,936	192,032	9,418	192,713	25,707	25,026	8,893
State Operational	2013	211,423	7,084	201,774	202,133	202,133	417	58	9,649
State Operational	2014	217,742	202,907	202,907	203,147	203,147	396	156	14,835
Total State Operational		\$ 1,846,250	\$ 213,276	\$ 1,802,454	\$ 423,758	\$ 1,813,507	\$ 72,158	\$ 61,105	\$ 43,796
Total State of New Mexico		\$ 2,159,373	\$ 258,068	\$ 2,112,849	\$ 508,184	\$ 2,133,230	\$ 90,610	\$ 70,445	\$ 46,308

STATE OF NEW MEXICO, HIDALGO COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

<u>Agency</u>		<u>Property Taxes Levied</u>	<u>Collected in Current Year 6/30/15</u>	<u>Collected To Date</u>	<u>Distributed in Current Year 6/30/15</u>	<u>Distributed to Date</u>	<u>Increase in Taxes</u>	<u>Decrease in Taxes</u>	<u>County Receivable at Year End</u>
Schools (SD #1 & SD #6)									
Operational	2005	\$ 642,851	\$ 7	\$ 642,535	\$ 19	\$ 656,096	\$ 13,686	\$ 125	\$ 316
Operational	2006	680,373	13	679,741	42	674,653	4,142	9,230	632
Operational	2007	736,109	15	723,681	92	725,424	2,080	337	12,428
Operational	2008	776,201	1,023	763,576	91	766,536	18,910	15,950	12,625
Operational	2009	736,299	38	722,870	166	741,654	19,162	378	13,429
Operational	2010	766,908	104	750,612	594	764,546	14,164	230	16,296
Operational	2011	802,860	271	767,710	2,143	768,335	11,552	10,927	35,150
Operational	2012	787,884	668	721,890	3,272	722,165	9,502	9,227	65,994
Operational	2013	74,749	2,413	71,296	71,429	71,429	153	20	3,453
Operational	2014	<u>77,063</u>	<u>71,856</u>	<u>71,856</u>	<u>71,936</u>	<u>71,936</u>	<u>137</u>	<u>57</u>	<u>5,207</u>
Total Operational		\$ 6,081,297	\$ 76,408	\$ 5,915,767	\$ 149,784	\$ 5,962,774	\$ 93,488	\$ 46,481	\$ 165,530
Debt Service	2005	\$ 234,352	\$ 81	\$ 234,409	\$ 240	\$ 238,261	\$ 3,960	\$ 108	\$ (57)
Debt Service	2006	248,522	175	248,876	555	247,444	1,546	2,978	(354)
Debt Service	2007	267,155	160	264,796	1,236	265,018	1,507	1,285	2,359
Debt Service	2008	282,668	238	280,177	1,183	281,387	6,278	5,068	2,491
Debt Service	2009	270,728	422	268,677	1,978	275,859	7,549	367	2,051
Debt Service	2010	270,292	1,206	272,382	7,267	276,434	4,230	178	(2,090)
Debt Service	2011	288,685	3,635	303,992	27,302	304,399	150,898	150,491	(15,307)
Debt Service	2012	291,047	7,680	294,499	32,207	298,010	128,229	124,718	(3,452)
Debt Service	2013	826,830	18,525	783,296	785,033	785,033	1,916	179	43,534
Debt Service	2014	<u>852,058</u>	<u>793,162</u>	<u>793,162</u>	<u>794,317</u>	<u>794,317</u>	<u>1,880</u>	<u>725</u>	<u>58,896</u>
Total Debt Service		\$ 3,832,337	\$ 825,284	\$ 3,744,266	\$ 1,651,318	\$ 3,766,162	\$ 307,993	\$ 286,097	\$ 88,071

STATE OF NEW MEXICO, HIDALGO COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

<u>Agency</u>		<u>Property Taxes Levied</u>	<u>Collected in Current Year 6/30/15</u>	<u>Collected To Date</u>	<u>Distributed in Current Year 6/30/15</u>	<u>Distributed to Date</u>	<u>Increase in Taxes</u>	<u>Decrease in Taxes</u>	<u>County Receivable at Year End</u>
Capital Imp.	2005	\$ 79,279	\$ 86	\$ 79,249	\$ 77	\$ 79,850	\$ 648	\$ 47	\$ 30
Capital Imp.	2006	81,092	175	81,060	167	81,254	387	193	32
Capital Imp.	2007	87,798	380	87,803	372	87,895	153	61	(5)
Capital Imp.	2008	100,980	371	100,847	363	101,161	5,588	5,274	133
Capital Imp.	2009	100,399	678	100,223	670	100,464	299	58	176
Capital Imp.	2010	91,394	2,405	90,996	2,389	91,732	785	49	398
Capital Imp.	2011	94,994	8,620	98,853	8,690	98,949	43,425	43,329	(3,859)
Capital Imp.	2012	98,967	12,355	100,786	13,351	101,807	37,812	36,791	(1,819)
Capital Imp.	2013	309,028	-	294,874	295,402	295,402	613	85	14,154
Capital Imp.	2014	<u>318,301</u>	<u>318,301</u>	<u>318,301</u>	<u>296,954</u>	<u>296,954</u>	<u>580</u>	<u>230</u>	<u>-</u>
Total Capital Imp.		<u>\$ 1,362,232</u>	<u>\$ 343,371</u>	<u>\$ 1,352,992</u>	<u>\$ 618,435</u>	<u>\$ 1,335,468</u>	<u>\$ 90,290</u>	<u>\$ 86,117</u>	<u>\$ 9,240</u>
Total Schools		<u>\$11,275,866</u>	<u>\$ 1,245,063</u>	<u>\$11,013,025</u>	<u>\$ 2,419,537</u>	<u>\$11,064,404</u>	<u>\$ 491,771</u>	<u>\$ 418,695</u>	<u>\$ 262,841</u>
Total		<u>\$30,557,704</u>	<u>\$ 3,426,018</u>	<u>\$29,858,763</u>	<u>\$ 6,729,871</u>	<u>\$30,036,727</u>	<u>\$ 1,228,074</u>	<u>\$ 1,028,941</u>	<u>\$ 698,413</u>

STATE OF NEW MEXICO, HIDALGO COUNTY
JOINT POWERS AGREEMENT
JUNE 30, 2015

Animal Control Agreement

Participants	County of Hidalgo and the City of Lordsburg
Responsible Party	City of Lordsburg
Description	City of Lordsburg agrees to provide animal shelter services to the County of Hidalgo
Period	July 1, 2014 - June 30, 2015
Project Costs	\$1,500 per year and anesthesia
County Contribution	\$1,500 per year and anesthesia
Audit responsibility	City of Lordsburg

STATE OF NEW MEXICO, HIDALGO COUNTY
JOINT POWERS AGREEMENT (CONTINUED)
JUNE 30, 2015

Inmate Housing/Dispatchers - City of Lordsburg

Participants	County of Hidalgo and the City of Lordsburg
Responsible Party	County of Hidalgo
Description	To provide housing for adult prisoners and law enforcement radio dispatch for the City of Lordsburg
Period	July 1, 2014 - June 30, 2015
Project Costs	City of Lordsburg agrees to pay \$158,992 per year
County Contribution	Undeterminable
Audit responsibility	County of Hidalgo

Inmate Housing - County of Luna

Participants	County of Hidalgo and the County of Luna
Responsible Party	County of Luna
Description	To provide housing for juvenile prisoners from the County of Hidalgo
Period	May 1, 2014 to June 30, 2015
Project Costs	\$51.63 per day per prisoner
County Contribution	Undeterminable
Audit responsibility	County of Luna

OTHER INFORMATION SECTION

STATE OF NEW MEXICO, HIDALGO COUNTY
 SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GRT)
 JUNE 30, 2015

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
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None Noted

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2015

<u>Federal Grantor Pass Through Grantor Program Title</u>	<u>CFDA</u>	<u>Program or Grant Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
U.S. Department of Homeland Security, passed through New Mexico Department of Public Safety	97.067	OPSG/NMDHS	\$ 835,768	\$ 484,925
U.S. Department of Homeland Security, passed through New Mexico Department of Public Safety	97.042	Safe Border - Emergency Management	80,000	26,009
U.S. Department of Agriculture	10.666	Schools and Roads	10,736	5,481
U.S. Department of Housing and Urban Development, passed through New Mexico Department of Finance and Administration	14.218	CDBG	<u>560,095</u>	<u>328,987</u>
			<u>\$ 1,486,599</u>	<u>\$ 845,402</u>

Note 1 - Basis of Presentation

The above Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Hidalgo and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

COMPLIANCE SECTION



Beasley, Mitchell & Co.

Certified Public Accountants

Donald A. Beasley, CPA, Partner
Christine Wright, CPA, Partner
Beth Fant, EA, Partner
Brad Beasley, CPA, Partner

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

Timothy Keller
New Mexico State Auditor
and the Mayor and the County Commissioners of the
County of Hidalgo
Lordsburg, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of the County of Hidalgo, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise County of Hidalgo' basic financial statements, and the combining and individual funds and related budgetary comparisons of the County of Hidalgo presented as supplemental information, and have issued our report thereon dated November 1, 2015.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. (2015-001, 2015-002, 2015-005, 2015-007, 2015-008, 2015-009, 2015-012)

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. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies. (2014-001, 2015-003, 2015-004, 2015-006, 2015-010, 2015-011, 2015-014, 2015-015, 2015-016)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Hidalgo's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*. (2015-013)

County of Hidalgo's Response to Findings

The County's response to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Beasley, Mitchell & Co., LLP
Las Cruces, New Mexico
November 1, 2015



Beasley, Mitchell & Co.

Certified Public Accountants

Donald A. Beasley, CPA, Partner
Christine Wright, CPA, Partner
Beth Fant, EA, Partner
Brad Beasley, CPA, Partner

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

Timothy Keller
New Mexico State Auditor
and the Board of Commissioners
County of Hidalgo
Lordsburg, New Mexico

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

An audit includes examining, on a test basis, evidence about the County of Hidalgo's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on Community Development Block Grants/Entitlement Grants

As described in the accompanying schedule of findings and questioned costs, the County of Hidalgo did not comply with requirements regarding CFDA 14.128 Community Development Block Grants/Entitlement Grants as described in finding number 2015-016 . Compliance with such requirements is necessary, in our opinion, for the County of Hidalgo to comply with the requirements applicable to that program.

Qualified Opinion on Community Development Block Grants/Entitlement Grants

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County of Hidalgo complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on "Community Development Block Grants/Entitlement Grants" for the year ended June 30, 2015.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2015-016 to be a significant deficiencies.

County of Hidalgo's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Hidalgo's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Beasley Mitchell & Co LLP

Beasley, Mitchell & Co., LLP
Las Cruces, New Mexico
November 1, 2015

STATE OF NEW MEXICO, HIDALGO COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 JUNE 30, 2015

Section 1 - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Qualified

Internal control over financial reporting:

- Material weakness (es) identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

Noncompliance material to financial statements noted? X Yes No

Federal Awards

Internal control over major programs

- Material weakness (es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

Type of auditors' report issued on compliance with major programs: Modified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? X Yes No

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B programs \$ 300,000

Auditee qualified as low-risk auditee X Yes No

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

Section II - Financial Statements Findings

PRIOR YEAR FINDINGS

2014-001	Bank Accounts Not Recorded on General Ledger - Significant Deficiency	Revised and Repeated
2014-002	Late Audit Report - Significant Deficiency	Resolved

CURRENT YEAR FINDINGS

2015-001	Funds Not Reported in the Audit - Material Weakness
2015-002	Interest Income is Not Recorded - Material Weakness
2015-003	Lack of Internal Controls in Per Diem - Significant Deficiency
2015-004	Incorrect Reporting to DFA - Significant Deficiency
2015-005	Two Separate sets of Books - Material Weakness
2015-006	Lack of Internal Control Over Adjusting Journal Entries - Significant Deficiency
2015-007	Funds Not Recorded in the General Ledger - Material Weakness
2015-008	Lack of Internal Control Over Fixed Assets - Material Weakness
2015-009	Understated Long Term Debt - Material Weakness
2015-010	Improper Fund Reporting - Significant Deficiency
2015-011	Lack of Internal Control Over Detention Center Cash Receipting - Significant Deficiency
2015-012	Lack of Segregation of Duties - Material Weakness
2015-013	Cash Register Overage - Other Non-Compliance
2015-014	Lack of Internal Controls Over IT - Significant Deficiency
2015-015	Budgetary Control - Significant Deficiency
2015-016	SEFA - Under/Overstated - Significant Deficiency

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2014-001) Bank Accounts Not Recorded on General Ledger - Significant Deficiency

CONDITION	Six bank accounts totaling \$49,904, have not been recorded on the financial statements of the County. The accounts were not reported to the Treasurer's Office or made known to the preparer of the financial statements.
CRITERIA	All bank accounts should be reconciled by their respective Department monthly upon receiving the bank statements. This is to comply with 6-6-3 and 6-10-2 NMSA 1978.
CAUSE	The Treasurer's Office was not aware of several bank accounts for the County due to no bank statements and reconciliations being provided by various Departments.
EFFECT	County assets may be understated and may not be properly safeguarded.
RECOMMENDATION	All bank accounts of the County should be reconciled by the respective Departments and recorded by the County treasurer's Office in order to ensure that all accounts are safeguarded and accounted for.
RESPONSE	Hidalgo County will ensure that all departments who have a bank account are reconciling monthly and reporting the bank reconciliations to the county treasurer.

EXPECTED COMPLETION: Implemented

EMPLOYEE RESPONSIBLE: Treasurer

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-001) Funds Not Reported in the Audit - Material Weakness

CONDITION	The following six funds were not included in the 6/30/2014 financial statements even though they had activity: Cotton city fire, Animas fire fund, Rodeo fire fund, Hidalgo fire fund, Playas fire fund, Gila Neblett. Cash was not understated as a result, because it was included in the Fire fund; however, all other activity was omitted.
CRITERIA	According to the American Institute of Certified Public Accountants' Auditing Standards Section 325, a system of internal control over financial reporting does not stop at the general ledger. Well designed systems include controls over financial statement preparation, including footnote disclosures.
CAUSE	There was a lack of management oversight.
EFFECT	The audit was reported incorrectly
RECOMMENDATION	The County needs to ensure all funds are included in the general ledger, and in the audit.
RESPONSE	Hidalgo County reported individual fire funds to Auditor in 2014 audit. Hidalgo County does not combine these funds as they are restricted funds. We will ensure that the 2015 audit properly reflects the six fire funds individually.

EXPECTED COMPLETION: 03/31/2016

EMPLOYEE RESPONSIBLE: Treasurer

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-002) Interest Income Not Recorded - Material Weakness

CONDITION	Interest income on investments has not been recorded in prior years. Consequently, revenue and cash have been understated by \$181,000.
CRITERIA	Per Section 6-6-3 NMSA 1978, every local public body shall: 1)Keep all the books, records, and accounts in their respective offices in the form prescribed by the local government division; 2)Make all reports as may be required by the local government division; and 3)Conform to the rules and regulations adopted by the local government division.
CAUSE	The issue has been carried from the prior administration, and the current administration was unsure on how to correct.
EFFECT	Revenue was understated in prior years, and investments were understated in prior years.
RECOMMENDATION	The County needs to ensure interest income is booked as it is earned.
RESPONSE	Hidalgo County reported interest to auditor in 2014 audit. We will ensure that the 2015 audit properly reflects the interest reported.

EXPECTED COMPLETION: Implemented

EMPLOYEE RESPONSIBLE: Treasurer

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-003) Lack of Internal Controls in Per Diem - Significant Deficiency

CONDITION	Two out of ten random samples selected for per diem test work did not include a supervisor approval signature. The total diem cost of the two samples was \$176.
CRITERIA	Section 13-1-97 of NMSA 1978 requires that purchases be made through a central purchasing office which properly authorizes and approves the purchase prior to payment. An authorized official should indicate that the goods or services have been received prior to payment for the goods or services.
CAUSE	There was a lack of Management Oversight
EFFECT	There may be unauthorized purchases made, thus non-compliance with the purchasing code.
RECOMMENDATION	The County needs to ensure there are internal controls in place to prevent the payment of unauthorized transactions.
RESPONSE	The per diem selections were paid early in the fiscal year under a procurement officer. The Manager's office has implemented several checks and balances for every set of accounts payable. All signature verifications are complete before a check is issued. If a signature is missing it is returned to the department head.

EXPECTED COMPLETION: Implemented **EMPLOYEE RESPONSIBLE:** County Manager's Assistant

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-004) Incorrect reporting to DFA - Significant Deficiency

CONDITION	Due to a clerical error, the available cash value reported to DFA has been misstated by \$2,176,390, resulting from the double entering of the investment value. However, audited financial statements have not included this double booking.
CRITERIA	Per Section 6-6-3 NMSA 1978, every local public body shall: 1)Keep all the books, records, and accounts in their respective offices in the form prescribed by the local government division; 2)Make all reports as may be required by the local government division; and 3)Conform to the rules and regulations adopted by the local government division.
CAUSE	The DFA report submitted in quarter four did not include various funds, and overstated cash.
EFFECT	Incorrect reporting was made to the Department of Finance Administration.
RECOMMENDATION	The County needs to ensure that the Treasurer and the County Manager's office agree on the DFA report being submitted.
RESPONSE	The County has taken the proper steps to verify the accuracy of beginning cash. Hidalgo County has already accurately reflected the proper beginning cash value to DFA. The Finance department and Treasurer's office will provide checks and balances when reporting to DFA beginning the first quarter of this fiscal year.

EXPECTED COMPLETION: Implemented **EMPLOYEE RESPONSIBLE:** County Manager's Assistant

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-005) Two separate sets of Books - Material Weakness

CONDITION	The County uses two different accounting systems to track payables and expenses and cash and revenue.
CRITERIA	Key employees or management should be trained in GAAP principles in recording the County's financial transactions and in preparing its financial statements (Subsection H, 2.2.2.8 NMAC; SAS112)
CAUSE	The Treasurers office and the County Manager's office have always kept their books in two different softwares.
EFFECT	There can be a transposition error when consolidating both sets of books.
RECOMMENDATION	All transactions should be reflected in one software to ensure completeness and accuracy.
RESPONSE	Hidalgo County is currently establishing financial software (Caselle) that will allow for one program to manage all financial reporting.

EXPECTED COMPLETION: 03/31/2016 **EMPLOYEE RESPONSIBLE:** Treasurer/County Manager

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-006) Lack of Internal Control Over Adjusting Journal Entries - Significant Deficiency

CONDITION	All the six judgmentally selected manual journal entries did not have a written approval.
CRITERIA	Section 6-5-2, NMSA 1978, requires that the authority shall implement internal control accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.
CAUSE	The County was unaware of this requirement.
EFFECT	There may be unauthorized adjustments made, leaving room for error and management override.
RECOMMENDATION	The County should implement a review process for all transactions to mitigate risk of error, or manipulation.
RESPONSE	Hidalgo County has implemented a process of authorizing journal entries that involves signed management approval. A new form has been created that requires Finance and Treasurer signatory. This will ensure proper oversight of manual journal entries.

EXPECTED COMPLETION: Implemented **EMPLOYEE RESPONSIBLE:** Treasurer/County Manager

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-007) Funds Not Recorded in the General Ledger - Material Weakness

CONDITION	General ledgers and sub-ledgers related to following six funds are unavailable: Cotton city fire, Animas fire fund, Rodeo fire fund, Hidalgo fire fund, Playas fire fund, Gila Neblett. The revenues and expenses related to the activities are not reported by the County in their financial statements.
CRITERIA	Within Title 2, Chapter 20, Part 5, Public Finance Accounting by Governmental Entities of the New Mexico Administrative Code, The Department of Finance and Administration requires all accounting systems, including subsidiary systems, record transactions timely, completely, and accurately.
CAUSE	The funds have been excluded since the prior administration, the current administration was unsure on how to incorporate them in to the books.
EFFECT	The general ledger was not complete, and there is no sub ledger information on the funds. Consequently, the prior year audit was misstated.
RECOMMENDATION	The County should track of all funds in a centralized accounting system.
RESPONSE	Hidalgo County became aware of these accounts in 2014 audit. At the conclusion of the 2014 audit all departments with independent bank accounts began reporting their statements to the county treasurer. The county treasurer will ensure that they are included in the 2015 General Ledger.

EXPECTED COMPLETION: 03/31/2016

EMPLOYEE RESPONSIBLE: Treasurer

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-008) Lack of Internal Control over Fixed Assets - Material Weakness

CONDITION	The County has not performed a physical inventory of capital assets since 2013. In addition, assets purchased with federal funds are not tagged. Lastly, in fiscal year 2014, the total cost of capital assets was overstated by \$493,360 for general fund and understated by \$375,974 for enterprise fund. Overall, the capital assets was overstated by \$117,386.
CRITERIA	Section 2.20.1.15 of NMAC requires agencies to properly safeguard assets. All assets within an established materiality limit should be tagged with unique numbers and accounted for on the capital asset listing. The statutory annual inventory requirement is described in Section 2.20.1.16 of NMAC.
CAUSE	The County was unaware that federal assets needed to be tagged, further the County believed a bi-annual inventory would suffice per instruction of the prior administration.
EFFECT	Lack of oversight may result in improper accounting, and increases the risk of error or theft.
RECOMMENDATION	The County should tag all assets, and should do an annual inventory.
RESPONSE	Hidalgo County will begin using the asset management module of Caselle to implement an accurate/efficient inventory system. Finance designees will physically locate and count all assets in mid-January of every year. Hidalgo County will also purchase and tag all federally funded items.

EXPECTED COMPLETION: 03/31/2016 **EMPLOYEE RESPONSIBLE:** County Manager's Assistant

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-009) Understating Long Term Debt - Material Weakness

CONDITION	Long term debt was understated by \$1,788,020 at the beginning of fiscal year 2015. Only one of the four loans were reported in the prior year audit.
CRITERIA	Within Title 2, Chapter 20, Part 5, Public Finance Accounting by Governmental Entities of the New Mexico Administrative Code, the Department of Finance and Administration requires all accounting systems, including subsidiary systems, record transactions timely, completely, and accurately.
CAUSE	The County did not identify that the debt was not included in the audit before they approved the submission of the audit.
EFFECT	The prior year audit had liabilities understated thus was incorrectly reported.
RECOMMENDATION	The County should ensure all general ledger accounts are properly reported in the audit.
RESPONSE	Hidalgo County will verify that all loans are reported for every audit. This information is included with our quarterly reports as well.

EXPECTED COMPLETION: 03/31/2016 **EMPLOYEE RESPONSIBLE:** County Manager's Assistant

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-010) Improper Fund Reporting - Significant Deficiency

CONDITION	C & C Transfer (solid waste transfer station) has been reported as a governmental fund instead of the correct enterprise fund.
CRITERIA	Per GASB 34, Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise and internal service funds. Proprietary fund statements of net position and revenues, expenses, and changes in fund net position should be presented using the economic resources measurement focus and the accrual basis of accounting. Required financial statements for proprietary funds are a statement of net position; a statement of revenues, expenses, and changes in fund net position; and a statement of cash flows.
CAUSE	The County was unaware that it was improperly reported in the audit.
EFFECT	The fund was accounted for like a governmental fund thus it was not properly recorded in the statement of net position.
RECOMMENDATION	The County should ensure all general ledger accounts are properly reported in the audit.
RESPONSE	The county has consistently reported the Transfer Site as an enterprise fund to DFA. This information has been provided to the previous auditor. The County will ensure it is recorded properly from this point forward.

EXPECTED COMPLETION: Implemented

EMPLOYEE RESPONSIBLE: Treasurer

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

**(2015-011) Lack of Internal Control Over Detention Center Cash Receipting - Significant
Deficiency**

CONDITION	The detention center clerk is authorized to write checks under \$500, receipt money, deposit money into the bank and reconcile bank statements. Signatures confirming supervisor's review of the bank reconciliations could not be identified.
CRITERIA	Appropriate internal controls including monitoring in cash disbursements is required to maintain proper reporting of all revenues and expenditures as required by Section 6-6-3, NMSA 1978.
CAUSE	There was a lack of management oversight
EFFECT	Lack of oversight may result in improper accounting, and increases the risk of error or theft.
RECOMMENDATION	The County should implement internal controls and segregation of duties to mitigate risk.
RESPONSE	Hidalgo County Treasurer & Detention staff have implemented changes to the operations of the Detention Center and the internal controls. These internal controls include segregation of duties, signatory authority, while maintaining the Treasurer's authority to randomly inspect cash on hand or financial information.

EXPECTED COMPLETION: 03/31/2016

EMPLOYEE RESPONSIBLE: Treasurer

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-012) Segregation of Duties - Material Weakness

CONDITION	County Treasurer has an ability to write checks, receipt money, record receipts and expenses and reconcile bank statements.
CRITERIA	Section 6.20.2.11 of NMAC requires each County to develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.
CAUSE	The County was unaware of the risk resulting from the lack of segregation of duties in the Treasurers office.
EFFECT	Lack of oversight may result in improper accounting, and increases the risk of error or theft.
RECOMMENDATION	The County should implement internal controls and segregation of duties to mitigate risk.
RESPONSE	Hidalgo County Treasurer's office is following the New Mexico Constitution and recognizes that audit reflects the conflict between the NM Constitution and the NM Administrative Code. The Treasurer's duties are well defined in the Constitution. However the administrative code refers to a segregation of duties. The Hidalgo County Treasurer's office is an office comprised of two individuals the Treasurer himself and the Chief Deputy. Segregation of duties in order to comply with good accounting practice would have to involve another dept. That would remove the Treasurer's independence as an independently elected official.

EXPECTED COMPLETION: Unforeseeable

EMPLOYEE RESPONSIBLE: Treasurer

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-013) Cash Register Overage - Other Non Compliance

CONDITION	An \$18 cash overage was discovered during a surprise cash count performed at the County Clerk's office.
CRITERIA	Section 6-5-2, NMSA 1978, requires that the authority shall implement internal control accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.
CAUSE	There was a lack of management oversight
EFFECT	Lack of oversight may result in improper accounting, and increases the risk of error or theft.
RECOMMENDATION	The County should monitor transactions, implement internal controls and segregation of duties to mitigate risk.
RESPONSE	Hidalgo County Treasurer's office will continue to conduct random cash counts and report noncompliance of NMSA 6-10-2 to the proper authorities.

EXPECTED COMPLETION: 03/31/2016

EMPLOYEE RESPONSIBLE: Treasurer

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-014) Lack of Internal Controls Over IT - Significant Deficiency

CONDITION	None of the County computers were being backed up. A server has been acquired by the County; however it is not properly secured.
CRITERIA	The State of New Mexico Statewide Guideline S-GUIDE-002.00 (per NMSA 1978 Section 15-1C-1 and NMAC 1.12.6 and NMAC 1.12.2) establishes an Enterprise Security Policy for the protection of IT assets and resources including data and information. The Policy establishes that protection must be provided for IT assets, resources, and data/information from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide integrity, confidentiality, availability, accountability, and assurance, and establishes that controls must be maintained over information systems, resources, and data/information sufficient to contain risk of loss or misuse of information.
CAUSE	The County had to budget for a server in order to implement adequate controls over IT.
EFFECT	Lack of controls can result in the loss of data, or modification of data either by error or with intent.
RECOMMENDATION	The County should implement an adequate back up process, should restrict access to the server on a need basis, and should physically safeguard the server.
RESPONSE	Hidalgo County is in the process of having our server co-located to an off-site location. Once this is in place we can begin to more fully utilize the server for its intended purpose housing our Caselle software and allowing for remote on-line system back up from each individual computer. Currently each individual is responsible for back up of their computer. Caselle back up is done monthly by Caselle. Triatic is done daily by Triatic.

EXPECTED COMPLETION: 03/31/2016

EMPLOYEE RESPONSIBLE: County Manager

STATE OF NEW MEXICO, HIDALGO COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
 JUNE 30, 2015

(2015-015) Legal Compliance with Budget - Significant Deficiency

CONDITION The following funds not reported to DFA do not have an approved budget: Cotton city fire, Animas fire fund, Rodeo fire fund, Hidalgo fire fund, Playas fire fund, Gila Neblett. Additionally, during the fiscal year ended June 30, the County remitted payments for goods and services in excess of the adopted budget as follows:

Fund	Reason	Budget Expenses	Actual Expenses	Difference
Playas fire fund	Operating expenses	\$ -	\$ 66,594	\$ (66,594)
General government	Operating expenses	-	28,430	(28,430)
Recyclable monies fund	Operating expenses	-	1,930	(1,930)
Hidalgo complex fund	Operating expenses	-	8,851	(8,851)
EMS grant fund	Operating expenses	<u>38,852</u>	<u>143,390</u>	<u>(104,538)</u>
Totals		<u>\$ 38,852</u>	<u>\$ 249,195</u>	<u>\$ (210,343)</u>

CRITERIA Section 6-6-6 of the New Mexico State Statutes restricts all officials and governing authorities from approving claims in excess of the approved budget. Additionally, Section 6-6-6 prohibits any payment in excess of the approved budget. The County has the obligation to follow applicable state statutes.

CAUSE TThe funds have been excluded since the prior administration, the current administration was unaware of the requirement to incorporate them into the books.

EFFECT The County is in non compliance with the state, since all funds must be budgeted for. Non-compliance with New Mexico state statutes could subject officials and employees to penalties and fines required by state statutes.

RECOMMENDATION The County should adapt a budget for each fund. We also recommend that management closely monitor expenditures and budget limitations to ensure compliance with budget restrictions.

RESPONSE The County will evaluate the budget process, and ensure that all funds are budgeted for in the future.

EXPECTED COMPLETION: 03/31/2016

EMPLOYEE RESPONSIBLE: Treasurer

STATE OF NEW MEXICO, HIDALGO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

(2015-016) SEFA-Under/Overstated - Significant Deficiency

CONDITION	The 2015 Schedule of Federal Awards (SEFA) was overstated by \$15,061 whereas the 2014 Schedule of Federal Awards was understated by \$15,061, resulting from accrued expenditures incurred in fiscal year 2014, but not paid or receipted until fiscal year 2015. The name of this SEFA was Community Development Block Grants/Entitlement Grants with a Federal CFDA number of 14.218. The name of the Federal agency is HUD and the name of applicable pass through entity is NMFA.
CRITERIA	The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.
CAUSE	The County administration was unaware that they needed to include accounts receivable and payables when reporting the expenses in the SEFA.
EFFECT	The SEFA was understated and thus the risk assessment and major fund determination may be inaccurate in the prior year.
RECOMMENDATION	The County should ensure all expenses belonging to an audit year are included in the SEFA.
RESPONSE	All documentation for these expenditures and revenue was provided to auditor in 2014 audit. Hidalgo County will ensure that the 2015 audit properly reflects any encumbrances or receivables.

EXPECTED COMPLETION: Implemented in FY 16 **EMPLOYEE RESPONSIBLE:** Treasurer

STATE OF NEW MEXICO, HIDALGO COUNTY
EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2015

An entrance conference was held on October 27, 2015 in a closed meeting was held with Beasley, Mitchell & Co. LLP, with the following County officials:

Bob Hill	County Manager
Marianne Stewart	County Commissioner
Tyler Massey	County Treasurer
Tisha Green	Assistant to the County Manager

Beasley, Mitchell & Co. LLP

Dahlia Garcia	Audit Senior
Avi Chetry	Audit Staff

An exit conference was held on October 27, 2015 in a closed meeting was held with Beasley, Mitchell & Co. LLP, with the following County officials:

Bob Hill	County Manager
Darr Shannon	County Commission Chair
Tyler Massey	County Treasurer
Tisha Green	Assistant to the County Manager

Beasley, Mitchell & Co. LLP

Clark Goding	Audit Manager
Dahlia Garcia	Audit Senior
Avi Chetry	Audit Staff

The financial statements presented in this report were compiled with the assistance of the auditors, Beasley, Mitchell & Co. However, the contents of the financial statements remain the responsibility of management.