

STATE OF NEW MEXICO

COUNTY OF LUNA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

JUNE 30, 2015

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COUNTY OF LUNA
OFFICIAL ROSTER
JUNE 30, 2015

ELECTED OFFICIALS

| <u>Name</u> | <u>Title</u> |
|--------------------------------|-----------------------------------|
| <i>Joe L. "Oleo" Milo, Jr.</i> | <i>Chairman</i> |
| <i>R. Javier Diaz</i> | <i>Member</i> |
| <i>Linda M. Smrkovsky</i> | <i>Member</i> |
| <i>Andrea Rodriguez</i> | <i>County Clerk</i> |
| <i>Dora Madrid</i> | <i>County Treasurer</i> |
| <i>Delilah Rojo</i> | <i>County Assessor</i> |
| <i>John Mooradian</i> | <i>County Sheriff</i> |
| <i>Charles "Tink" Jackson</i> | <i>County Manager</i> |
| <i>Martin Miller</i> | <i>County Road Superintendent</i> |

INDEPENDENT AUDITORS' REPORT

Mr. Tim Keller, State Auditor and
The Mayor and County Commissioners
County of Luna
Deming, 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 Luna, as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the County of Luna's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County of Luna's nonmajor governmental, nonmajor enterprise, and the budgetary comparisons for the major capital project fund, major proprietary funds, and all 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, whether due to fraud or error.

Auditor's 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 from material misstatement.

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

Mr. Tim Keller, State Auditor and
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13 and the pension liability schedules on pages 54 through 57 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 County of Luna's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of federal awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Mr. Tim Keller, State Auditor and
The Mayor and County Commissioners
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The *Schedule of Expenditures of federal awards and other supplementary information required by 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Expenditures and other supplementary information required by 2.2.2 NMAC* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2015 on our consideration of the County of Luna'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 of Luna's internal control over financial reporting and compliance.

Kriegel/Gray/Shaw & Co., P.C.

Kriegel/Gray/Shaw & Co., P.C.
Las Cruces, New Mexico
October 28, 2015

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

As management of County of Luna, we offer readers of County of Luna's financial statements this narrative overview and analysis of the financial activities of County of Luna for the fiscal year-ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the financial statements of County of Luna and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets and deferred inflows of County of Luna exceeded its liabilities and deferred outflows at the close of the most recent fiscal year by \$41,356,109 (*net position*). Of this amount, \$13,358,933 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Revenues for governmental activities decreased by \$64,221 from the prior year.
- Expenditures for governmental activities decreased \$636,755 from the prior year.
- As of June 30, 2015, the County's governmental funds reported combined ending fund balances of \$22,456,490.
- At the close of the current fiscal year, unassigned balance of the general fund was \$7,635,070.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to County of Luna's basic financial statements. County of Luna's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of County of Luna finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of County of Luna'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 County of Luna is improving or deteriorating.

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 County of Luna 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 County of Luna include general government public safety, public works, and health and welfare. The business-type activity of the County includes a detention facility.

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

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. County of Luna, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of County of Luna 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 funds 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*.

County of Luna maintains 27 individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Fund, County Maintenance Fund, and Entertainment Complex Bond 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.

County of Luna 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, County Maintenance Fund and Entertainment Complex Bond 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 used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses proprietary funds to account for the Detention Center, the Entertainment Complex, the Commissary, and the Columbus Import/Export Stockyards of the County.

Fiduciary Funds. Fiduciary funds are used to account 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 County of Luna's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

County of Luna fiduciary funds account for the collection of property taxes and special fees at the detention facility and their remittance to other governmental agencies.

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.

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.

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

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 County of Luna, net position increased from the prior year by \$4,200,084 to total \$37,156,025 at the close of the current fiscal year.

A large portion of County of Luna's net position represents the County's investment of \$33,659,670 (net of accumulated depreciation) in capital assets (e.g., land improvements, buildings, infrastructure and machinery and equipment); less any related outstanding debt used to acquire those assets. County of Luna uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, County of Luna's investment in its capital assets is reported net of related debt, 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.

The balance of *unrestricted net position* \$13,358,933 may be used to meet the government's ongoing obligations to citizens and creditors.

Analysis of Changes in Net Position

The County's net position, overall, increased by \$4,200,084 during the current fiscal year. This net increase is explained below.

Governmental Activities. During the fiscal year, revenues in the Governmental Activities increased slightly with the most significant increase in operating and capital grants. Total Expenditures for Governmental Activities decreased during the year and total revenues exceeded total expenditures by \$3,249,648. Property taxes and state-shared taxes contributed \$12,396,666 to fund the \$9,522,328 net program expense associated with governmental activities.

Governmental revenues, the majority of which are taxes, are not directly associated with any governmental function. Property tax revenue and state shared taxes increased 2% as compared to the prior year.

Investment earnings decreased by more than 30% in the fiscal year ended June 30, 2015. The primary cause for this decrease was a decrease in the market value of the investment portfolio.

Business-Type Activities. Business-type activities increased the County's net position by \$950,436. The key element of this increase was due to an increase in detention revenues. Business-type activities expenses decreased by \$330,063 due to cost containment measures in all funds.

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds. The focus of County of Luna's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable resources*. Such information is useful in assessing County of Luna's financing requirements. In particular, *unassigned 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, Capital Project Funds, and Debt Service Funds.

As of the end of the current fiscal year, County of Luna's governmental funds reported combined ending fund balances of \$22,456,490, an increase of \$1,509,728 from the prior year. The increase is primarily due to a concerted effort to control expenditures even though revenues increased.

Revenues for governmental functions overall totaled \$19,847,577, in the fiscal year ended June 30, 2015, which represents an increase of \$333,479 (after restatements) from the fiscal year ended June 30, 2014, due to increases in state grant funds. Expenditures for governmental functions totaled \$16,295,204. This was a decrease of \$1,543,419 from the fiscal year ended June 30, 2014 resulting from a concentrated effort to minimize expenses throughout the County. In the fiscal year ended June 30, 2015, revenues for governmental functions exceeded expenditures by \$3,249,648.

The General Fund is the chief operating fund of County of Luna. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$7,635,070. The fund balance of County of Luna's General Fund increased by \$862,778 during the current fiscal year. This increase is primarily due to a decrease in transfers to other funds.

The Road Fund has a total fund balance of \$1,535,150. The net increase in fund balance during the current year in the Road Fund was \$386,151. This increase is due to the reduction in expenditures.

The County Maintenance Fund has a total fund balance of \$6,330,186. The net increase in fund balance during the current year in the County Maintenance Fund was \$190,957. This increase is due to an increase in capital grants.

The Entertainment Complex Bond has a total fund balance of \$609,611. The net decrease is due to bond funding activity.

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 total unrestricted net position for the Proprietary Funds was (\$1,584,683). The total increase in net position for the Proprietary Funds was \$950,436. The factors concerning the finances of these funds have been addressed previously in the discussion of the County's business-type activities.

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.

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

Budgetary Highlights

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. County of Luna 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. County priorities are well defined through this process.

General Fund Budgetary Highlights. The General Fund accounts for all of the general services provided by the County of Luna.

The County has found it necessary to modify the budget at various times throughout the fiscal year. This is done with resolutions of the Board of County Commissioners. The following chart shows the adjustments for the year.

| Type | Original Budget | Final Budget | Modification | Reason |
|--------------------|--------------------|--------------------|-----------------|----------------------------|
| General Government | \$4,585,594 | \$4,601,345 | \$15,751 | Various expenditure needs. |
| Public Safety | 3,952,737 | 3,960,795 | 8,058 | Various expenditure needs. |
| Public Works | 845,689 | 845,689 | 0 | N/A |
| Capital Outlay | 174,327 | 174,327 | 0 | N/A |
| Totals | \$9,558,347 | \$9,582,156 | \$23,809 | |

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, and Road Repairs.

Capital Asset and Debt Administration

Capital Assets. County of Luna’s capital assets for its governmental and business-type activities as of June 30, 2015 amount to \$33,659,670 (net of accumulated depreciation). Capital assets include land, 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 \$659,705 for governmental activities. The total increase in business-type capital assets (excluding accumulated depreciation) for the current fiscal year was \$473,634.

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

Capital Assets Net of Depreciation
June 30, 2015

| | Governmental Activities | Business-Type Activities | Totals |
|---|----------------------------|-----------------------------|---------------------|
| Land and Construction in Progress | \$5,698,585 | \$719,714 | \$6,418,299 |
| Buildings and Improvements | 13,953,313 | 11,386,499 | 25,339,812 |
| Leasehold Improvements | 0 | 17,230 | 17,230 |
| Equipment and Furnishings | 1,675,001 | 209,328 | 1,884,329 |
| <i>Capital Assets, net of Accumulated Depreciation</i> | \$21,326,899 | \$12,332,771 | \$33,659,670 |

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 Net investment in Capital Assets-Governmental Funds in the amount of \$10,191,284. This investment includes the land, buildings, land and building improvements, equipment, construction in progress, and all applicable debt service. The total shows a decrease in capital assets of \$310,417 from the prior fiscal year. At fiscal year end, County of Luna continued to have a substantial amount of construction projects in progress.

The most significant construction projects in progress at year end were the Port of Entry at Columbus funded with a GSA federal contract.

The additions in business-type activities total \$0 of Equipment and Furnishings.

The County's debt increased \$970,122 resulting primarily from the new GRT Improvement Bond 2015A. Additional information on the County's debt can be found in Note 6.

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:

| | Governmental Activities | Business-type Activities | Balance as of June 30, 2015 |
|--|----------------------------|-----------------------------|--------------------------------|
| Net Value of Capital Assets | \$21,326,899 | \$12,332,771 | \$33,659,670 |
| Long-Term Debt: | | | |
| Judicial Complex Bond 2007A | 3,535,440 | 0 | 3,535,440 |
| Entertainment Center Bond 2015 | 6,185,000 | 0 | 6,185,000 |
| GRT Improvement Bond 2015A | 1,000,000 | 0 | 1,000,000 |
| NMFA Loan | 415,175 | 0 | 415,175 |
| <i>Total net investment in capital assets</i> | \$10,191,284 | \$12,332,771 | \$22,524,055 |

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

Comparative Statements

Presented below are a Comparative Condensed Statement of Activities and a Comparative Statement of Net Position. The County's Business-Type Activities, including the County of Luna Detention Center, the Entertainment Complex and the Columbus Livestock Import/Export Stockyards added \$950,436 to the County's net position at the end of fiscal year 2015. Total Revenue generated by Governmental activities and Business-type activities in the County in 2015 was \$885,305 more than those activities generated in 2014. The primary cause of this increase in revenue was an increase in revenue generated from business-type activities in Detention Center and Capital grants. Expenses for the County's business type operations decreased during the fiscal year, resulting from cost containment measures.

Condensed Comparative Statement of Activities

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|---------------------|-----------------------------|--------------------|---------------------|---------------------|
| | 2015 | 2014 (restated) | 2015 | 2014 (restated) | 2015 | 2014 (restated) |
| Revenues: | | | | | | |
| <u>Program Revenues:</u> | | | | | | |
| Charges for services | \$416,087 | \$526,882 | \$7,268,971 | \$6,754,350 | \$7,685,058 | \$7,281,232 |
| Operating grants and contributions | 4,586,788 | 4,424,124 | 0 | 0 | 4,586,788 | 4,424,124 |
| Capital grants and contributions | 1,769,001 | 1,096,043 | 0 | 0 | 1,769,001 | 1,096,043 |
| <u>General Revenue:</u> | | | | | | |
| Property taxes | 9,055,519 | 8,795,191 | 0 | 0 | 9,055,519 | 8,795,191 |
| State shared taxes | 3,341,147 | 3,336,924 | 646,931 | 683,077 | 3,988,078 | 4,020,001 |
| Other income | 679,035 | 1,334,934 | 159,307 | 85,686 | 838,342 | 1,420,620 |
| <i>Total revenues</i> | <i>19,847,577</i> | <i>19,514,098</i> | <i>8,074,939</i> | <i>7,523,113</i> | <i>27,922,516</i> | <i>27,037,211</i> |
| Expenses: | | | | | | |
| General Government | 4,441,151 | 5,158,291 | 0 | 0 | 4,441,151 | 5,158,291 |
| Public Safety | 5,993,583 | 6,064,133 | 0 | 0 | 5,993,583 | 6,064,133 |
| Public Works | 3,014,142 | 3,042,892 | 0 | 0 | 3,014,142 | 3,042,892 |
| Health and Welfare | 1,901,738 | 2,144,479 | 0 | 0 | 1,901,738 | 2,144,479 |
| Culture and Recreation | 210,180 | 228,787 | 0 | 0 | 210,180 | 228,787 |
| Pension expense various functions | 0 | 618,480 | 0 | 291,049 | 0 | 618,480 |
| Interest on long-term debt | 593,114 | 580,561 | 0 | 0 | 593,714 | 871,610 |
| Bond issuance costs | 139,696 | 0 | 0 | 0 | 139,696 | 0 |
| Business-Type activities | 0 | 0 | 7,293,354 | 7,621,678 | 7,293,354 | 7,621,678 |
| <i>Total expenses</i> | <i>16,294,204</i> | <i>17,837,623</i> | <i>7,293,354</i> | <i>7,912,727</i> | <i>23,587,558</i> | <i>25,750,350</i> |
| Transfers – capital - other governments | (134,874) | 0 | 0 | 0 | (134,874) | 0 |
| Transfers – operating | (168,851) | 30,600 | 168,851 | (30,600) | 0 | 0 |
| <i>Change in net position</i> | <i>(3,249,648)</i> | <i>1,707,075</i> | <i>950,436</i> | <i>(420,214)</i> | <i>(4,200,084)</i> | <i>1,286,861</i> |
| Net position, beginning of year, as previously stated | 27,358,373 | 32,541,761 | 9,797,652 | 13,460,437 | 37,156,025 | 46,002,198 |
| Restatements | 0 | (6,890,463) | 0 | (3,242,571) | 0 | (10,133,034) |
| Net position, beginning of year, as restated | 27,358,373 | 25,651,298 | 9,797,652 | 10,217,866 | 37,156,025 | 35,869,164 |
| Net position, end of year | \$30,608,021 | \$27,358,373 | \$10,748,088 | \$9,797,652 | \$41,356,109 | \$37,156,025 |

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

Condensed Summary of Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|
| | 2015 | 2014 (restated) | 2015 | 2014 (restated) | 2015 | 2014 (restated) |
| | Assets: | | | | | |
| Cash and cash equivalents | \$10,361,606 | \$4,951,624 | \$1,814,388 | \$805,946 | \$12,175,994 | \$5,757,570 |
| Investments | 10,324,512 | 11,698,556 | 0 | 0 | 10,324,512 | 11,698,556 |
| Receivables: | | | | | | |
| Property taxes | 4,671,648 | 4,442,810 | 0 | 0 | 4,671,648 | 4,442,810 |
| Account | 61,988 | 12,194 | 598,187 | 431,283 | 660,175 | 443,477 |
| Grant | 1,044,902 | 1,222,732 | 0 | 0 | 1,044,902 | 1,222,732 |
| State shared | 88,136 | 0 | 0 | 0 | 88,136 | 0 |
| Internal balances | 359,381 | 359,381 | (359,381) | (359,381) | 0 | 0 |
| Due from other governments | 439,233 | 877,887 | 57,573 | 118,187 | 496,806 | 966,074 |
| Inventory | 143,623 | 138,755 | 17,779 | 17,779 | 161,402 | 156,534 |
| Restricted cash | 123,829 | 2,175,995 | 0 | 0 | 123,829 | 2,175,995 |
| Due from external sources | 0 | 0 | 25,033 | 22,033 | 25,033 | 22,033 |
| Capital assets, net | 21,326,899 | 20,379,010 | 12,332,771 | 12,808,143 | 33,659,670 | 33,187,153 |
| Deferred outflow of resources | 1,802,561 | 618,480 | 397,162 | 291,050 | 2,199,723 | 909,530 |
| Total assets and deferred outflows | \$50,748,318 | \$46,877,424 | \$14,883,512 | \$14,135,040 | \$65,631,830 | \$61,012,464 |
| Liabilities and Net Position: | | | | | | |
| Accounts payable | \$204,745 | \$262,612 | \$94,046 | \$189,135 | \$298,791 | \$451,747 |
| Accrued salaries | 230,571 | 178,311 | 114,094 | 102,357 | 344,665 | 280,668 |
| Interest payable | 152,502 | 258,599 | 0 | 0 | 152,502 | 258,599 |
| Non-Current Liabilities: | | | | | | |
| Compensated Absences | 3,824 | 14,014 | 34,936 | 2,054 | 38,760 | 16,068 |
| Due within one year | 566,426 | 512,599 | 199,824 | 219,173 | 766,250 | 731,772 |
| Due after one year | | | | | | |
| Loans Payable | | | | | | |
| Due within one year | 878,735 | 525,568 | 0 | 0 | 878,735 | 525,568 |
| Due after one year | 10,256,880 | 9,639,925 | 0 | 0 | 10,256,880 | 9,639,925 |
| Net pension liability | 5,570,773 | 8,127,423 | 2,621,540 | 3,824,669 | 8,192,313 | 11,952,092 |
| Total liabilities | 17,864,456 | 19,519,051 | 3,064,440 | 4,337,388 | 20,928,896 | 23,856,439 |
| Deferred inflow of resources | 2,275,841 | 0 | 1,070,984 | 0 | 3,346,825 | 0 |
| Net Position: | | | | | | |
| Net investment in capital assets | 10,191,284 | 10,501,701 | 12,332,771 | 12,806,405 | 22,524,055 | 23,308,106 |
| Restricted for | | | | | | |
| Inventory | 143,623 | 138,755 | 17,779 | 17,779 | 161,402 | 156,534 |
| Debt service | 2,199,076 | 1,971,586 | 0 | 0 | 2,199,076 | 1,971,586 |
| Other purposes | 3,112,643 | 2,722,479 | 0 | 0 | 3,112,643 | 2,722,479 |
| Unrestricted | 14,961,395 | 12,023,852 | (1,602,462) | (3,026,532) | 13,358,933 | 8,997,320 |
| Total net position | 30,608,021 | 27,358,373 | 10,748,088 | 9,797,652 | 41,356,109 | 37,156,025 |
| Total liabilities, deferred inflows, and net position | \$50,748,318 | \$46,877,424 | \$14,883,512 | \$14,135,040 | \$65,631,830 | \$61,012,464 |

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

The County's Total Assets increased during the fiscal year, as well as total liabilities. Total Net Position increased during the year. The County of Luna's financial position has improved due to the continuing cost containment measures.

Contingencies

Bonds outstanding as June 30, 2015 consisted of Judicial Complex 2007A, Entertainment Complex 2015, NMFA Loan, and GRT Improvement Bond 2015A. Interest on the bonds is due January 1 and July 1 of each year, and the interest for the NMFA Loan is due semi-annually on May 1 and November 1. For additional information concerning these bonds, see Note 6.

Economic Factors and Next Year's Budgets and Rates

County of Luna has been affected by the same economic forces at play in the national economy. Unemployment in the County is at high levels although gross receipts tax revenues have increased. Management has been prudently cautious in developing the operating budget for the County for fiscal year 2016. The Board of County Commissioners through very careful attention to budget development and strict budget management and expenditure control has been able to provide some funds for capital renewal and replacement in its 2015 fiscal year budget. In fiscal 2016, the County continues a thoroughly review its priorities, staffing, compensation, projects, and programs with a focus on driving efficiency and effectiveness in its operations, resulting in reduced costs for 2016.

Requests for Information

This financial report is designed to provide a general overview of County of Luna's finances for all of 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's Budget Officer, 700 S. Silver, Deming, New Mexico 88030.

COUNTY OF LUNA
STATEMENT OF NET POSITION
JUNE 30, 2015

| | Primary Government | | Total |
|--|----------------------------|-----------------------------|---------------------|
| | Governmental Activities | Business-Type Activities | |
| ASSETS | | | |
| Cash and cash equivalents | \$10,361,606 | \$1,814,388 | \$12,175,994 |
| Investments | 10,324,512 | 0 | 10,324,512 |
| Receivables: | | | |
| Property taxes | 4,671,648 | 0 | 4,671,648 |
| State shared taxes | 88,136 | 0 | 88,136 |
| Grant | 1,044,902 | 0 | 1,044,902 |
| Accounts | 61,988 | 598,187 | 660,175 |
| Internal balances | 359,381 | (359,381) | 0 |
| Due from other governments | 439,233 | 57,573 | 496,806 |
| Inventory | 143,623 | 17,779 | 161,402 |
| Restricted cash | 123,829 | 0 | 123,829 |
| Due from external sources | 0 | 25,033 | 25,033 |
| Capital Assets: | | | |
| Land and assets net of accumulated depreciation | 21,326,899 | 12,332,771 | 33,659,670 |
| <i>Total assets</i> | 48,945,757 | 14,486,350 | 63,432,107 |
| Deferred Outflow of Resources | | | |
| Refunded bond - interest escrowed | 637,753 | 0 | 637,753 |
| Pension contribution | 942,450 | 397,162 | 1,339,612 |
| Unamortized discount - refunded bond | 222,358 | 0 | 222,358 |
| <i>Total deferred outflow of resources</i> | 1,802,561 | 397,162 | 2,199,723 |
| Total assets and deferred outflow of resources | \$50,748,318 | \$14,883,512 | \$65,631,830 |
| LIABILITIES | | | |
| Accounts payable | \$204,745 | \$94,046 | \$298,791 |
| Accrued salaries | 230,571 | 114,094 | 344,665 |
| Interest payable | 152,502 | 0 | 152,502 |
| Noncurrent Liabilities: | | | |
| Compensated absences: | | | |
| Due within one year | 3,824 | 34,936 | 38,760 |
| Due after one year | 566,426 | 199,824 | 766,250 |
| Loans payable: | | | |
| Due within one year | 878,735 | 0 | 878,735 |
| Due after one year | 10,256,880 | 0 | 10,256,880 |
| Net pension liability | 5,570,773 | 2,621,540 | 8,192,313 |
| <i>Total liabilities</i> | 17,864,456 | 3,064,440 | 20,928,896 |
| Deferred Inflow of Resources | | | |
| Pension actuarial and investment experience | 2,275,841 | 1,070,984 | 3,346,825 |
| NET POSITION | | | |
| Net investment in capital assets | 10,191,284 | 12,332,771 | 22,524,055 |
| Non expendable inventory | 143,623 | 17,779 | 161,402 |
| Restricted for: | | | |
| Debt service | 2,199,076 | 0 | 2,199,076 |
| Other purposes | 3,112,643 | 0 | 3,112,643 |
| Unrestricted | 14,961,395 | (1,602,462) | 13,358,933 |
| <i>Total net position</i> | 30,608,021 | 10,748,088 | 41,356,109 |
| Total liabilities, deferred inflow of resources, and net position | \$50,748,318 | \$14,883,512 | \$65,631,830 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in net position | | |
|---------------------------------------|---------------------|----------------------|--------------------------|--------------------------|---|--------------------------|----------------------|
| | | Charges for Services | Operating | Capital | Primary Government | | Total |
| | | | Grants and Contributions | Grants and Contributions | Governmental Activities | Business-type Activities | |
| Primary Government | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | \$4,441,151 | \$169,991 | \$322,365 | \$135,000 | (\$3,813,795) | \$0 | (\$3,813,795) |
| Public safety | 5,993,583 | 0 | 1,946,617 | 1,024,541 | (3,022,425) | 0 | (3,022,425) |
| Public works | 3,014,142 | 4,670 | 0 | 609,460 | (2,400,012) | 0 | (2,400,012) |
| Health and welfare | 1,901,738 | 29,260 | 2,317,806 | 0 | 445,328 | 0 | 445,328 |
| Culture and recreation | 210,180 | 212,166 | 0 | 0 | 1,986 | 0 | 1,986 |
| Bond issuance cost | 139,696 | 0 | 0 | 0 | (139,696) | 0 | (139,696) |
| Interest on long-term debt | 593,714 | 0 | 0 | 0 | (593,714) | 0 | (593,714) |
| <i>Total governmental activities</i> | <i>16,294,204</i> | <i>416,087</i> | <i>4,586,788</i> | <i>1,769,001</i> | <i>(9,522,328)</i> | <i>0</i> | <i>(9,522,328)</i> |
| Business-Type Activities: | | | | | | | |
| Detention Facility | 5,346,332 | 5,509,588 | 0 | 0 | 0 | 163,256 | 163,256 |
| Entertainment Complex | 1,912,337 | 1,697,913 | 0 | 0 | 0 | (214,424) | (214,424) |
| Columbus Stockyard | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commissary | 34,685 | 61,470 | 0 | 0 | 0 | 26,785 | 26,785 |
| <i>Total business-type activities</i> | <i>7,293,354</i> | <i>7,268,971</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>(24,383)</i> | <i>(24,383)</i> |
| Total primary government | \$23,587,558 | \$7,685,058 | \$4,586,788 | \$1,769,001 | (\$9,522,328) | (\$24,383) | (\$9,546,711) |

General Revenues

| | | | |
|---|-------------------|----------------|-------------------|
| Property taxes | \$9,055,519 | \$0 | \$9,055,519 |
| State shared taxes | 3,341,147 | 646,931 | 3,988,078 |
| Interest earnings | 169,125 | 4,534 | 173,659 |
| Other income | 509,910 | 154,503 | 664,413 |
| Gain on asset disposal | 0 | 0 | 0 |
| Capital transfers out - other governments | (134,874) | 0 | (134,874) |
| Transfers in (out) | (168,851) | 168,851 | 0 |
| Total general revenues | 12,771,976 | 974,819 | 13,746,795 |
| Change in net position | 3,249,648 | 950,436 | 4,200,084 |
| Net position, beginning of year, as previously stated | 35,218,875 | 13,329,533 | 48,548,408 |
| Restatements | (7,860,502) | (3,531,881) | (11,392,383) |
| Net position, beginning of year, as restated | 27,358,373 | 9,797,652 | 37,156,025 |
| Net position, end of year | \$30,608,021 | \$10,748,088 | \$41,356,109 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
GOVERNMENTAL FUNDS
BALANCE SHEETS
JUNE 30, 2015

| | Major Funds | | | | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------|-----------------------|----------------------------------|-----------------------------------|--------------------------------|
| | General Fund | Road Fund | County Maintenance | Entertainment Complex Bond | | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$1,966,086 | \$1,247,601 | \$988,145 | \$568,859 | \$5,590,915 | \$10,361,606 |
| Investments | 5,428,402 | 0 | 4,896,110 | 0 | 0 | 10,324,512 |
| Receivables: | | | | | | |
| Due from other governments | 0 | 0 | 0 | 117,780 | 321,453 | 439,233 |
| Property taxes | 2,972,221 | 1,588,536 | 0 | 0 | 110,891 | 4,671,648 |
| State shared taxes | 61,821 | 26,315 | 0 | 0 | 0 | 88,136 |
| Grants | 18,726 | 0 | 445,500 | 0 | 580,676 | 1,044,902 |
| Accounts receivable | 1,526 | 0 | 431 | 0 | 60,031 | 61,988 |
| Due from other funds | 359,381 | 0 | 0 | 0 | 66,780 | 426,161 |
| Inventory | 0 | 143,623 | 0 | 0 | 0 | 143,623 |
| Restricted cash and cash equivalents | 0 | 123,829 | 0 | 0 | 0 | 123,829 |
| Total assets | \$10,808,163 | \$3,129,904 | \$6,330,186 | \$686,639 | \$6,730,746 | \$27,685,638 |
| LIABILITIES AND FUND BALANCE | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$59,283 | \$144 | \$0 | \$0 | \$145,318 | \$204,745 |
| Accrued salaries | 164,984 | 25,330 | 0 | 0 | 40,257 | 230,571 |
| Accrued compensated absences | 3,824 | 0 | 0 | 0 | 0 | 3,824 |
| Interest payable | 0 | 0 | 0 | 77,028 | 75,474 | 152,502 |
| Due to other funds | 51,683 | 0 | 0 | 0 | 15,097 | 66,780 |
| Total liabilities | 279,774 | 25,474 | 0 | 77,028 | 276,146 | 658,422 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Property taxes | 2,893,319 | 1,569,280 | 0 | 0 | 108,127 | 4,570,726 |
| Fund Balance: | | | | | | |
| Nonspendable | 0 | 143,623 | 0 | 0 | 0 | 143,623 |
| Restricted | 0 | 0 | 0 | 609,611 | 4,702,108 | 5,311,719 |
| Committed | 0 | 0 | 0 | 0 | 596,760 | 596,760 |
| Assigned | 0 | 1,391,527 | 6,330,186 | 0 | 1,047,605 | 8,769,318 |
| Unassigned | 7,635,070 | 0 | 0 | 0 | 0 | 7,635,070 |
| Total fund balance | 7,635,070 | 1,535,150 | 6,330,186 | 609,611 | 6,346,473 | 22,456,490 |
| Total liabilities and fund balance | \$10,808,163 | \$3,129,904 | \$6,330,186 | \$686,639 | \$6,730,746 | \$27,685,638 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
RECONCILIATION OF THE FUND BALANCE OF GOVERNMENTAL FUNDS
TO GOVERNMENTAL ACTIVITIES NET POSITION
JUNE 30, 2015

| | |
|--|---------------------|
| FUND BALANCE of Governmental Funds | \$22,456,490 |
| Amounts reported for governmental activities in the statement of net position is different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 21,326,899 |
| Certain assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds | 4,570,726 |
| Some resources represent net assets that are applicable to future periods and are not recorded in the funds. | 1,802,561 |
| Pension actuarial and investment experience is related to long-term liabilities and therefore, is not recorded in the funds. | (2,275,841) |
| Long-term liabilities, including bonds payable and compensated absences, net pension liability are not due and payable in the current period and therefore are not reported in the funds | (17,272,814) |
| <i>Net position of governmental activities</i> | \$30,608,021 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Major Funds | | | | Nonmajor Governmental Funds | Total Governmental Funds |
|--|--------------------|--------------------|-----------------------|----------------------------------|-----------------------------------|--------------------------------|
| | General Fund | Road Fund | County Maintenance | Entertainment Complex Bond | | |
| REVENUES | | | | | | |
| Property taxes/PILT | \$7,884,447 | \$640,996 | \$0 | \$0 | \$178,986 | \$8,704,429 |
| State shared taxes | 582,708 | 975,009 | 0 | 707,531 | 1,075,899 | 3,341,147 |
| Small counties assistance | 205,000 | 0 | 0 | 0 | 0 | 205,000 |
| Intergovernmental | 400,000 | 0 | 0 | 0 | 755,121 | 1,155,121 |
| Charges for services | 137,489 | 4,062 | 0 | 0 | 274,536 | 416,087 |
| Interest income/investment earnings | 125,838 | 8,515 | 28,866 | 0 | 5,906 | 169,125 |
| Federal grants | 0 | 0 | 44,040 | 0 | 1,208,054 | 1,252,094 |
| State grants/sources | 70,203 | 609,460 | 1,159,541 | 0 | 1,904,370 | 3,743,574 |
| Rental income | 146,679 | 0 | 0 | 0 | 0 | 146,679 |
| Other income | 228,703 | 4,624 | 510 | 0 | 129,394 | 363,231 |
| <i>Total revenues</i> | <i>9,781,067</i> | <i>2,242,666</i> | <i>1,232,957</i> | <i>707,531</i> | <i>5,532,266</i> | <i>19,496,487</i> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 4,237,169 | 0 | 0 | 0 | 173,421 | 4,410,590 |
| Public safety | 3,473,131 | 0 | 0 | 0 | 2,271,994 | 5,745,125 |
| Public works | 759,828 | 2,061,726 | 0 | 0 | 0 | 2,821,554 |
| Health and welfare | 0 | 0 | 0 | 0 | 1,776,456 | 1,776,456 |
| Culture and recreation | | | | | 209,764 | 209,764 |
| Debt Service | | | | | | |
| Principal | 0 | 205,568 | 0 | 185,000 | 135,000 | 525,568 |
| Escrow payment-refunding debt | 0 | 0 | 0 | 6,695,304 | 0 | 6,695,304 |
| Interest expense | 0 | 4,221 | 0 | 252,708 | 190,903 | 447,832 |
| Bond issuance cost | 0 | 0 | 0 | 139,696 | 0 | 139,696 |
| Capital outlay | 0 | 0 | 1,028,524 | 0 | 1,202,495 | 2,231,019 |
| <i>Total expenditures</i> | <i>8,470,128</i> | <i>2,271,515</i> | <i>1,028,524</i> | <i>7,272,708</i> | <i>5,960,033</i> | <i>25,002,908</i> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <i>1,310,939</i> | <i>(28,849)</i> | <i>204,433</i> | <i>(6,565,177)</i> | <i>(427,767)</i> | <i>(5,506,421)</i> |
| Other Financing Sources (Uses): | | | | | | |
| Bond proceeds | 0 | 0 | 0 | 6,185,000 | 1,000,000 | 7,185,000 |
| Loan proceeds | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating transfers in | 40,039 | 415,000 | 1,149 | 0 | 352,070 | 808,258 |
| Operating transfers (out) | (488,200) | 0 | (14,625) | (420,000) | (54,284) | (977,109) |
| <i>Total other financing sources (uses)</i> | <i>(448,161)</i> | <i>415,000</i> | <i>(13,476)</i> | <i>5,765,000</i> | <i>1,297,786</i> | <i>7,016,149</i> |
| <i>Net changes in fund balances</i> | <i>862,778</i> | <i>386,151</i> | <i>190,957</i> | <i>(800,177)</i> | <i>870,019</i> | <i>1,509,728</i> |
| Fund balance - beginning of year, as previously stated | 6,743,662 | 1,148,999 | 6,139,229 | 1,409,788 | 5,568,459 | 21,010,137 |
| Restatements | 28,630 | 0 | 0 | 0 | (92,005) | (63,375) |
| Fund balance - beginning of year, as restated | 6,772,292 | 1,148,999 | 6,139,229 | 1,409,788 | 5,476,454 | 20,946,762 |
| Fund balance - end of year | \$7,635,070 | \$1,535,150 | \$6,330,186 | \$609,611 | \$6,346,473 | \$22,456,490 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | |
|---|--------------------|
| Net change in fund balances - Governmental Funds | \$1,509,728 |
| 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. This is the amount by which capital outlay of \$2,298,669 was exceeded by depreciation expense of \$1,215,906 in the current period. | 1,082,763 |
| Property taxes are deferred in the funds based on available and measurable criteria. In the Statement of Activities they are recorded as revenue. | 351,090 |
| Repayment of bond principal is an expenditure in the governmental funds but reduce the liability in the statement of net position (net of discount amortization). | 7,074,989 |
| Disposition of capital assets | (134,874) |
| Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This is the amount of compensated absences liability. | (53,827) |
| Pension expenses and actuarial and investment experiences have not been recorded in the funds as they relate to long-term liabilities. | 604,779 |
| Bond proceeds are recorded in the funds as other financing resources but increase the long-term liabilities in the statement of net position. | (7,185,000) |
| <i>Change in net position of governmental activities</i> | \$3,249,648 |

COUNTY OF LUNA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) |
|---|--------------------------------|-----------------------------|------------------|----------------------------|
| REVENUES | | | | |
| Property taxes | \$7,895,259 | \$7,895,259 | \$7,889,800 | (\$5,459) |
| State shared taxes | 495,000 | 495,000 | 527,466 | 32,466 |
| Small counties assistance | 140,000 | 140,000 | 205,000 | 65,000 |
| Intergovernmental revenue | 415,000 | 415,000 | 406,074 | (8,926) |
| Charges for services | 108,100 | 108,100 | 138,444 | 30,344 |
| Interest income | 75,000 | 75,000 | 177,696 | 102,696 |
| Federal grants | 0 | 0 | 0 | 0 |
| State grants/state sources | 66,000 | 66,000 | 82,308 | 16,308 |
| Rental income | 176,100 | 176,100 | 145,379 | (30,721) |
| Other income | 174,000 | 174,000 | 263,625 | 89,625 |
| <i>Total revenues</i> | <u>9,544,459</u> | <u>9,544,459</u> | <u>9,835,792</u> | <u>291,333</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 4,585,594 | 4,601,345 | 4,148,912 | 452,433 |
| Public safety | 3,952,737 | 3,960,795 | 3,470,029 | 490,766 |
| Public works | 845,689 | 845,689 | 768,859 | 76,830 |
| Capital outlay | 174,327 | 174,327 | 112,272 | 62,055 |
| <i>Total expenditures</i> | <u>9,558,347</u> | <u>9,582,156</u> | <u>8,500,072</u> | <u>1,082,084</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | (13,888) | (37,697) | 1,335,720 | 1,373,417 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 40,039 | 40,039 | 40,039 | 0 |
| Operating transfers (out) | (488,200) | (488,200) | (488,200) | 0 |
| <i>Total other financing sources (uses)</i> | <u>(448,161)</u> | <u>(448,161)</u> | <u>(448,161)</u> | <u>0</u> |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | (462,049) | (485,858) | <u>\$887,559</u> | <u>\$1,373,417</u> |
| Budgeted cash carryover | 462,049 | 485,858 | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$887,559 |
| Adjustments for revenue accruals | (54,725) |
| Adjustments for expenditures accruals | 29,944 |
| Net changes in fund balance (GAAP basis) | \$862,778 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

ROAD FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) |
|---|--------------------------------|-----------------------------|------------------|----------------------------|
| REVENUES | | | | |
| Property tax | \$861,903 | \$861,903 | \$640,827 | (\$221,076) |
| State shared taxes | 955,000 | 955,000 | 825,884 | (129,116) |
| Intergovernmental revenue | 0 | 0 | 4,586 | 4,586 |
| Charges for services | 3,500 | 3,500 | 4,802 | 1,302 |
| Interest income | 4,000 | 4,000 | 7,778 | 3,778 |
| Federal grants | 0 | 0 | 0 | 0 |
| State grants/sources | 591,077 | 591,077 | 1,043,488 | 452,411 |
| Other revenue | 4,225 | 4,225 | 3,882 | (343) |
| <i>Total revenues</i> | <u>2,419,705</u> | <u>2,419,705</u> | <u>2,531,247</u> | <u>111,542</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | 2,526,173 | 2,530,557 | 1,880,345 | 650,212 |
| Capital outlay | 0 | 0 | 0 | 0 |
| Principal, interest and fees | 330,000 | 330,000 | 209,789 | 120,211 |
| <i>Total expenditures</i> | <u>2,856,173</u> | <u>2,860,557</u> | <u>2,090,134</u> | <u>770,423</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | (436,468) | (440,852) | 441,113 | 881,965 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 415,000 | 415,000 | 415,000 | 0 |
| <i>Total other financing sources (uses)</i> | <u>415,000</u> | <u>415,000</u> | <u>415,000</u> | <u>0</u> |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | (21,468) | (25,852) | <u>\$856,113</u> | <u>\$881,965</u> |
| <i>Budgeted cash carryover</i> | <u>21,468</u> | <u>25,852</u> | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$856,113 |
| Adjustments for revenue accruals | (288,581) |
| Adjustments for expenditures accruals | (181,381) |
| <u>Net changes in fund balance (GAAP basis)</u> | <u>\$386,151</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
PROPRIETARY FUNDS
STATEMENTS OF FUND NET POSITION
JUNE 30, 2015

| | Detention Center | Entertainment Complex Operations | Nonmajor Funds | Totals |
|---|---------------------|--|-------------------|---------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$863,775 | \$875,306 | \$75,307 | \$1,814,388 |
| Accounts receivable | 590,079 | 3,057 | 5,051 | 598,187 |
| Inventory | 0 | 17,779 | 0 | 17,779 |
| Due from other governments | 57,573 | 0 | 0 | 57,573 |
| Due from external sources | 25,033 | 0 | 0 | 25,033 |
| <i>Total current assets</i> | 1,536,460 | 896,142 | 80,358 | 2,512,960 |
| Non-Current Assets | | | | |
| Capital assets | 7,231,780 | 9,869,377 | 0 | 17,101,157 |
| Accumulated depreciation | (3,247,372) | (1,521,014) | 0 | (4,768,386) |
| <i>Total non-current assets</i> | 3,984,408 | 8,348,363 | 0 | 12,332,771 |
| Deferred Outflows of Resources | | | | |
| Pension contributions | 386,405 | 10,757 | 0 | 397,162 |
| <i>Total assets and deferred outflows of resources</i> | \$5,907,273 | \$9,255,262 | \$80,358 | \$15,242,893 |
| LIABILITIES AND FUND NET POSITION | | | | |
| Current Liabilities: | | | | |
| Accounts payable | \$61,749 | \$32,297 | \$0 | \$94,046 |
| Accrued salaries | 100,450 | 13,644 | 0 | 114,094 |
| Due to other funds | 11,447 | 0 | 347,934 | 359,381 |
| Accrued compensation - current | 34,936 | 0 | 0 | 34,936 |
| Long-term accrued compensated absences | 187,857 | 11,967 | 0 | 199,824 |
| Net pension liability | 2,539,618 | 81,922 | 0 | 2,621,540 |
| <i>Total liabilities</i> | 2,936,057 | 139,830 | 347,934 | 3,423,821 |
| Deferred Inflows of Resources | | | | |
| Pension actuarial and investment experience | 1,037,516 | 33,468 | 0 | 1,070,984 |
| Fund Net Position: | | | | |
| Net investment in capital assets | 3,984,408 | 8,348,363 | 0 | 12,332,771 |
| Unrestricted | (2,050,708) | 733,601 | (267,576) | (1,584,683) |
| <i>Total fund net position</i> | 1,933,700 | 9,081,964 | (267,576) | 10,748,088 |
| <i>Total liabilities, deferred inflows of resources, and fund net position</i> | \$5,907,273 | \$9,255,262 | \$80,358 | \$15,242,893 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

PROPRIETARY FUNDS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Detention Center | Entertainment Complex Operations | Nonmajor Funds | Totals |
|--|---------------------------|--|---------------------------|----------------------------|
| OPERATING REVENUES | | | | |
| Starmax revenues | \$0 | \$1,697,913 | \$0 | \$1,697,913 |
| Correction fees | 346,068 | 0 | 0 | 346,068 |
| Adult and juvenile prisoner fees | 5,163,520 | 0 | 0 | 5,163,520 |
| State shared taxes | 646,931 | 0 | 0 | 646,931 |
| Sale of County property | 0 | 0 | 0 | 0 |
| Miscellaneous revenue | 154,503 | 0 | 61,470 | 215,973 |
| <i>Total operating revenues</i> | <u>6,311,022</u> | <u>1,697,913</u> | <u>61,470</u> | <u>8,070,405</u> |
| OPERATING EXPENDITURES | | | | |
| Personnel expenses | 3,603,325 | 421,993 | 0 | 4,025,318 |
| Depreciation | 156,134 | 319,238 | 0 | 475,372 |
| Other operating costs | 1,586,873 | 1,171,106 | 34,685 | 2,792,664 |
| <i>Total operating expenditures</i> | <u>5,346,332</u> | <u>1,912,337</u> | <u>34,685</u> | <u>7,293,354</u> |
| <i>Operating income (loss)</i> | 964,690 | (214,424) | 26,785 | 777,051 |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Interest revenue | 4,534 | 0 | 0 | 4,534 |
| <i>Net income (loss) before transfers</i> | 969,224 | (214,424) | 26,785 | 781,585 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 0 | 660,079 | 511 | 660,590 |
| Operating transfers (out) | (251,660) | 0 | (240,079) | (491,739) |
| <i>Total other financing sources (uses)</i> | <u>(251,660)</u> | <u>660,079</u> | <u>(239,568)</u> | <u>168,851</u> |
| <i>Change in fund net position</i> | 717,564 | 445,655 | (212,783) | 950,436 |
| Total fund net position, beginning of year, as previously stated | 4,640,330 | 8,741,380 | (52,177) | 13,329,533 |
| Restatements | (3,424,194) | (105,071) | (2,616) | (3,531,881) |
| Total fund net position, beginning of year, as restated | <u>1,216,136</u> | <u>8,636,309</u> | <u>(54,793)</u> | <u>9,797,652</u> |
| <i>Total fund net position, end of year</i> | <u>\$1,933,700</u> | <u>\$9,081,964</u> | <u>(\$267,576)</u> | <u>\$10,748,088</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
PROPRIETARY FUND TYPES
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Detention Center | Entertainment Complex Operations | Nonmajor Funds | Totals |
|---|-------------------------|--|------------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Cash received from customers | \$6,192,357 | \$1,711,403 | \$60,355 | \$7,964,115 |
| Cash payments to suppliers for goods and services | (1,642,032) | (1,214,184) | (35,510) | (2,891,726) |
| Cash payments to employees for services | (3,814,611) | (419,721) | 0 | (4,234,332) |
| <i>Net cash provided (used) by operating activities</i> | <i>735,714</i> | <i>77,498</i> | <i>24,845</i> | <i>838,057</i> |
| CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Temporary loans - to/from other funds | (3,000) | 0 | 0 | (3,000) |
| Net transfers in (out) | (251,660) | 660,079 | (239,568) | 168,851 |
| <i>Net cash provided (used) by non-capital and related financing activities</i> | <i>(254,660)</i> | <i>660,079</i> | <i>(239,568)</i> | <i>165,851</i> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Acquisition of equity interest | 0 | 0 | 0 | 0 |
| Acquisition of capital assets | 0 | 0 | 0 | 0 |
| <i>Net cash provided (used) by capital and related financing activities</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest income | 4,534 | 0 | 0 | 4,534 |
| <i>Net cash provided (used) by investing activities</i> | <i>4,534</i> | <i>0</i> | <i>0</i> | <i>4,534</i> |
| <i>Net increase (decrease) in cash</i> | <i>485,588</i> | <i>737,577</i> | <i>(214,723)</i> | <i>1,008,442</i> |
| Cash and cash equivalents, beginning of year | 378,187 | 137,729 | 290,030 | 805,946 |
| <i>Cash and cash equivalents, end of year</i> | <i>\$863,775</i> | <i>\$875,306</i> | <i>\$75,307</i> | <i>\$1,814,388</i> |
| Reconciliation of operating income to net cash provided (used) by operating activities | | | | |
| Operating income (loss) | \$964,690 | (\$214,424) | \$26,785 | \$777,051 |
| Depreciation | 156,134 | 319,238 | 0 | 475,372 |
| Receivables | (118,665) | 13,490 | (1,115) | (106,290) |
| Inventory | 0 | 0 | 0 | 0 |
| Accrued payroll expenses | 21,180 | 4,090 | 0 | 25,270 |
| Pension liability and contribution | (232,466) | (5,792) | 0 | (238,258) |
| Accounts payable | (55,159) | (39,104) | (825) | (95,088) |
| <i>Net cash provided (used) by operating activities</i> | <i>\$735,714</i> | <i>\$77,498</i> | <i>\$24,845</i> | <i>\$838,057</i> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
JUNE 30, 2015

| | Agency Funds |
|--------------------------------|--------------------|
| ASSETS | |
| Cash and temporary investments | \$277,736 |
| Receivables: | |
| Property taxes | 3,593,669 |
| Due from inmates | 32,489 |
| | |
| Total assets | \$3,903,894 |
| | |
| LIABILITIES | |
| Due to inmates | \$10,423 |
| Due to Luna County | 25,033 |
| Due to others | 72,921 |
| Due to other governments | 3,712,806 |
| Prepaid taxes | 2,127 |
| Overpayment of taxes | 7,049 |
| Taxes paid in advance | 43,527 |
| Due to taxpayers | 30,008 |
| | |
| Total liabilities | \$3,903,894 |
| | |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Luna (the “County”), New Mexico was founded in 1901 and operates under the Commission-Manager system. There are three elected commissioners serving four-year terms. In addition, the following County Officials are elected for four-year terms: assessor, clerk, sheriff, treasurer, and probate judge. The County provides traditional services such as public safety, culture and recreation, public works, roads, tax collection, and licensing and regulation of businesses.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial reported 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.

Reporting Entity

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB 14 and 39. 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 County and/or its citizens, or whether the activity is conducted within the geographic boundaries of the County and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the County 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.

Basis of Presentation

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) reports 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.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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.

Measurement Focus, Basis of Accounting

Government-Wide 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. All assets, all liabilities and deferred outflows and inflows of resources are included on the statement of net position. 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.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenditures are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

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 amount program revenues are reported instead as general revenues.

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.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Financial Statements

The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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 deferred inflows of resources. 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 estimateable.

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 resources.

Governmental 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 of construction of general capital assets and the servicing of general long-term debt.

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

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

The Capital Projects Funds 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), which includes funds that are not required to be presented as major but were at the discretion of management.

Entertainment Complex Bond Fund is used to account for the accumulation of resources and the payment of general long-term debt principal, interest and related costs for the building of an addition to the Luna County Detention Center.

The County Maintenance Fund is used to account for the federal and state grants funds and expenditures by the County for various maintenance projects established by the County as authorized by NMSA 1978 24-10A-6.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Road Fund is used 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.

The County reports the following major business-type funds:

The Detention Center Fund accounts for the operation and maintenance of the Detention Facility for the County.

The Entertainment Complex Operations Fund to account for the operating activity of the Complex.

Additionally, the government reports the following fund types:

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

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 operations. The principal operating revenue of the County's proprietary fund is charges for correction fees. Operating expenses for proprietary 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.

Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

A "Pooled Cash" concept is used in maintaining the cash in the accounting records. Under this method, all cash is pooled and each fund has equity in the pooled amount. All amounts included in pool cash are considered to be cash equivalents for the purposes of the statement of cash flows. Negative cash balances in certain funds have been reclassified as due to other funds at year end.

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.

State statutes authorize the County to invest in Certificates of Deposit, obligations, of the U.S. Government, and fully collateralized repurchase agreements.

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.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds or internal balances” (i.e., the current portion of interfund loans) or “advances to/from other funds or internal balances” (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as “due to/from other funds.” If one fund has overdrawn its share of an internal investment pool, an inter-fund liability to the fund that loaned the amount is reported.

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 attach as an unsubordinated enforceable lien on property as of January 1 of the assessment year. Current year taxes are levied on November 1, unless a formal extension of time is obtained from the Property Tax Division of the New Mexico Department of Finance and Administration. Taxes are due in total on November 10, or optionally in two equal installments on November 10 and April 10 of the next tax year. Although due on November 10 and April 10, the taxes are not delinquent until December 10 and May 10, respectively. In the event the original levy date is formally extended, the respective due dates and delinquency dates are correspondingly extended.

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 10 and April 10. Property taxes uncollected after November 10 and April 10 are considered delinquent and the County may assess penalties and interest. The taxes attached as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

Deferred Outflows of Resources

Deferred outflows of resources represent the County’s net assets that are applicable to a future reporting period. The County has recognized deferred outflows for pension contribution – See Note 8.

The County also recognizes deferred outflows for a refunded bond escrowed interest and unamortized discount.

Net Position

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

Restricted Net Position – Restricted net position results 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. Certain proceeds of proprietary fund revenue bonds, as well as certain resources for their repayment, are required to be classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

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

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

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 operating transfers.

Capital Assets

Capital assets, which include property, plant, 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 no limitation on initial or individual cost. The New Mexico Audit Act (Section 12-6-10 NMSA 1978) requires agencies to capitalize only chattels and equipment that cost over \$5,000 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. County of Luna was a phase III government for purpose of implementing GASB 34 and therefore, was not required to record infrastructure assets retroactively back to fiscal years ending after June 30, 1980. However, County of Luna is required to record infrastructure assets on a prospective basis beginning with fiscal year ended June 30, 2004. There were no infrastructure assets placed in service during the fiscal year ended June 30, 2015. 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 asset 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.

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

| <u>Assets</u> | <u>Years</u> |
|-------------------------|--------------|
| Buildings | 40 |
| Improvements | 20 |
| Machinery and Equipment | 5-10 |

Accrued Salaries

Accrued salaries are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2015.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

Deferred inflows of resources represents the acquisition of net assets that are applicable to a future reporting period. The County reports property taxes receivable received beyond 60 days after year end as deferred inflows. The County has also recognized deferred inflows for pension actuarial and investment experience – See Note 8.

Compensated Absences

Paid time off is the component of accrued compensated absences. The County accumulates paid time off per employee, per year, and per years of service. Currently, employees with one or more but less than five years of service accumulate 15 days of paid time off per year. Employees with more than five years but less than fifteen years of service accumulate 20 days of paid time off per year. In addition, employees with an excess of fifteen years of service accumulate 25 days of paid time off per year. There is no separate accumulation of sick leave.

An employee may accumulate no more than 45 days (360 hours) of paid time off. Accumulated paid time off for the County total \$793,043 as of June 30, 2015.

Pensions

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

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.

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.

Subsequent Events

Management has evaluated events through November 7, 2015, the date the financial statements were available to be issued.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Preliminary annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the Board of County Commissioners, and submitted to the Local Government Division of the State Department of Finance and Administration for approval. The budget is formally approved prior to July 31. Any amendments must also be approved by the Board of County Commissioners and the Department of Finance and Administration.

A separate budget is prepared for each fund. Line items within each budget may be over expended; however, it is not legally permissible to over expend at the fund level.

These budgets are prepared on the Non-GAAP cash basis and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent year.

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

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and Proprietary Funds.

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.

Other Required Individual Fund Disclosures:

Generally accepted accounting principles require disclosure, as part of the basic financial statements, of certain information concerning individual funds including:

- A. Deficit fund balance (or fund net position) of individual funds:
 - Columbus Stockyards (\$107,855)
- B. Designated cash appropriations in excess of available balances:
 - Detention Center (\$75,119)
 - Domestic Violence Shelter Detention Center (\$2,672)
 - KLCB Aluminum (\$2,062)
 - Law Enforcement (\$100,728)
- C. Excess of fund actual expenditures over budget:

| Fund | Budget Amount | Actual Amount | Over Expended |
|----------------------------|---------------|---------------|---------------|
| Entertainment Complex Bond | \$540,045 | \$1,191,307 | \$651,262 |
| LCDC Series 2015 Bond | \$0 | \$39,955 | \$39,955 |
| Entertainment Complex | \$1,565,077 | \$1,606,110 | \$41,033 |

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3. CASH AND INVESTMENTS

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

Deposits of funds may be made in interest or non interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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

Excess, of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

Cash Deposited with Financial Institutions

The County maintains cash in two financial institutions within Deming, New Mexico. The County's deposits are carried at cost.

As of June 30, 2015, the amount of cash reported on the financial statements differs from the amount on deposits with the various institutions because of transactions in transit and outstanding checks. The locations and amounts deposited are as follows:

| | Per Institution | Reconciling Items | Per Financial Statements |
|---|--------------------|----------------------|-----------------------------|
| First New Mexico Bank | \$12,428,257 | (\$693,114) | \$11,735,142 |
| Wells Fargo Bank | 552,121 | 0 | 552,121 |
| Western Heritage Bank | 4,403 | 0 | 4,403 |
| <i>Total cash deposits</i> | \$12,984,781 | (\$693,114) | 12,291,666 |
| | | | |
| Cash on hand | | | 4,443 |
| Cash held with Trustee – State Treasurer | | | 123,829 |
| Wells Fargo Investments – Money Market Accounts | | | 157,621 |
| | | | \$12,577,559 |

The amounts reported as cash for the primary government within the financial statement is displayed as:

| | |
|--------------------------------------|--------------|
| Cash and cash equivalents | \$12,175,994 |
| Restricted cash and cash equivalents | 123,829 |
| Agency funds | 277,736 |
| <i>Statement of net position</i> | \$12,577,559 |

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Except for items in transit, the carrying value of deposits by the respective depositories equated to the carrying value by the County.

All deposits are collateralized with eligible securities, as described by New Mexico State Statute, in amounts equal to at least 50% of the Bank deposit balance of the deposits less the applicable FDIC coverage.

Such collateral, as permitted by the state statutes is held in each respective depository bank's collateral pool at a Federal Reserve Bank, or member bank other than the depository bank, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds with the exception of deposit insurance provided by the federal Deposit Insurance Corporation.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for at least one half of the amount on deposit with the institution. As of June 30, 2015, \$9,796,537 of the County's bank balances of \$12,984,781 were exposed to custodial credit risk as follows:

| | Western Heritage Bank | First New Mexico Bank | Wells Fargo Bank |
|---|--------------------------|--------------------------|---------------------|
| Year ended June 30, 2015: | | | |
| Total amount of deposits | \$4,403 | \$12,428,257 | \$552,121 |
| FDIC Coverage | (4,403) | (250,000) | (250,000) |
| <i>Total uninsured public funds</i> | 0 | 12,178,257 | 302,121 |
| Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name | 0 | 2,381,720 | 332,999 |
| <i>Over (under) collateralization</i> | \$0 | (\$9,796,537) | \$30,878 |
| Collateral requirement (50% of uninsured public funds) | \$0 | \$6,089,128 | \$151,061 |
| Pledged securities | 0 | 2,381,720 | 332,999 |
| <i>Over (under) collateralization</i> | \$0 | (\$3,707,408) | \$181,938 |

The collateral pledged is listed on the supplemental schedule of collateral pledged by depositor of public funds on this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The County does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged to be delivered for securities underlying an overnight repurchase agreement, or a joint safekeeping receipt be issued to the County for at least one hundred two percent of the fair value of the securities underlying oversight repurchase accounts invested with the institution. At June 30, 2015, the County’s investment balances were exposed to custodial credit risk as follows:

| Investment Type | Credit Risk Rating | Fair Value | Weighted Average Maturity (Days) | Percent of Portfolio |
|---------------------------------------|--------------------|---------------------|----------------------------------|----------------------|
| Certificates of Deposit | N/A | \$8,634,079 | | 82.37% |
| US Government Securities | N/A | 300,040 | | 13.27% |
| New Mexico Municipals | A to AAA | 1,390,393 | | 2.86% |
| Money Market Accounts | N/A | 157,621 | | 1.50% |
| <i>Total fair value</i> | | 10,482,133 | 1,150 | 100.00% |
| Less cash equivalents – shown as cash | | 157,621 | | |
| | | <u>\$10,324,512</u> | | |

County of Luna maintains an investment policy which states that “funds will be invested in compliance with the provisions of the State of New Mexico, Department of Finance and Administration, Local Government Division.” The County has established an investment committee which meets at least bi-monthly to review and evaluate investment activity. The committee includes the County Treasurer, the County Treasurer’s Investment Officer, the County Manger and one other county employee. This committee reports to the County Board of Finance which includes the County Treasurer, the County Manager, three Commissioners and the County Clerk.

Interest Rate Risk. The County’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The County’s investments shall be in accordance with State Law, 6-10-10, and 6- 10-10.1 NMSA 1978 in that credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The County invests in securities issued by the U.S, government or its agencies, money market funds consisting of U.S. government and/or U.S. government-sponsored agency securities, and New Mexico State Treasurer’s Investment Pool.

Concentration of Credit Risk. The County’s investment policy places no limit on the amounts the County may invest in anyone issuer.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4. INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

Interfund Transactions

There are transactions that constitute reimbursements to a fund for expenditures initially expended from one fund that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditure in the fund that is reimbursed.

Interfund payables and receivables are reflected in the appropriate fund.

| <u>Interfund Transfers In (Out)</u> | <u>Operating Transfers Out</u> | | | | | | Totals |
|--|---------------------------------------|---------------------------|-------------------------|-----------------------------------|------------------------------------|-----------------------------------|--------------------|
| | General Fund | County Maintenance | Detention Center | Entertainment Complex Bond | Nonmajor Governmental Funds | Nonmajor Proprietary Funds | |
| Operating Transfers In: | | | | | | | |
| General fund | \$0 | \$14,625 | \$0 | \$0 | \$25,414 | \$0 | \$40,039 |
| County maintenance | 0 | 0 | 1,149 | 0 | 0 | 0 | 1,149 |
| Entertainment Complex Operations | 0 | 0 | 0 | 420,000 | 0 | 240,079 | 660,079 |
| Road Fund | 415,000 | 0 | 0 | 0 | 0 | 0 | 415,000 |
| Nonmajor governmental funds | 73,200 | 0 | 250,000 | 0 | 28,870 | 0 | 352,070 |
| Nonmajor proprietary funds | 0 | 0 | 511 | 0 | 0 | 0 | 511 |
| Totals | \$488,200 | \$14,625 | \$251,660 | \$420,000 | \$54,284 | \$240,079 | \$1,468,848 |

| <u>Due From (to) Other Funds</u> | <u>Due To:</u> | | | | Totals |
|---|-----------------------|-----------------------|------------------------------------|-----------------------------------|------------------|
| | General Fund | Detention Fund | Nonmajor Governmental Funds | Nonmajor Proprietary Funds | |
| Due From: | | | | | |
| General fund | \$0 | \$11,447 | \$0 | \$347,934 | \$359,381 |
| Nonmajor governmental funds | 51,683 | 0 | 15,097 | 0 | 66,780 |
| Totals | \$51,683 | \$11,447 | \$15,097 | \$347,934 | \$426,161 |

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2015 is as follows:

| | Balance June 30, 2014 | Restatements | Additions | Retirements | Transfers | Balance June 30, 2015 |
|---|----------------------------|---------------------------|---------------------------|---------------------------|--------------------|----------------------------|
| Governmental Activities: | | | | | | |
| Capital assets not being depreciated | | | | | | |
| Land | \$1,462,663 | \$0 | \$89,897 | (\$21,783) | \$0 | \$1,530,777 |
| Construction in progress | 4,704,569 | (288,184) | 2,051,912 | 0 | (2,300,489) | 4,167,808 |
| <i>Total capital assets not being depreciated</i> | <i>6,167,232</i> | <i>(288,184)</i> | <i>2,141,809</i> | <i>(21,783)</i> | <i>(2,300,489)</i> | <i>5,698,585</i> |
| Capital assets being depreciated | | | | | | |
| Buildings | 15,721,599 | 0 | 44,170 | (152,482) | 2,300,489 | 17,913,776 |
| Equipment and furnishings | 11,180,018 | (80,989) | 112,690 | (20,294) | 0 | 11,191,425 |
| <i>Total capital assets being depreciated</i> | <i>26,901,617</i> | <i>(80,989)</i> | <i>156,860</i> | <i>(172,776)</i> | <i>2,300,489</i> | <i>29,105,201</i> |
| Less accumulated depreciation for: | | | | | | |
| Buildings | (3,613,417) | 0 | (386,437) | 39,391 | 0 | (3,960,463) |
| Equipment and furnishings | (8,788,238) | 80,989 | (829,469) | 20,294 | 0 | (9,516,424) |
| <i>Total accumulated depreciation</i> | <i>(12,401,655)</i> | <i>80,989</i> | <i>(1,215,906)</i> | <i>59,685</i> | <i>0</i> | <i>(13,476,887)</i> |
| <i>Governmental activities capital assets, net</i> | <i>\$20,667,194</i> | <i>(\$288,184)</i> | <i>\$1,082,763</i> | <i>(\$134,874)</i> | <i>\$0</i> | <i>\$21,326,899</i> |

Depreciation expense for the year ended June 30, 2015 was charged to the following functions and funds:

| | |
|------------------------|--------------------|
| General Government | \$260,077 |
| Public Safety | 511,892 |
| Public Works | 261,440 |
| Health and Welfare | 182,081 |
| Culture and Recreation | 416 |
| | <u>\$1,215,906</u> |

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5. CAPITAL ASSETS (CONTINUED)

| | Balance June 30, 2014 | Restatements | Additions | Retirements | Balance June 30, 2015 |
|--|--------------------------|----------------|--------------------|-------------|--------------------------|
| Business-Type Activities: | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$719,714 | \$0 | \$0 | \$0 | \$719,714 |
| <i>Total capital assets not being depreciated</i> | 719,714 | 0 | 0 | 0 | 719,714 |
| Capital assets being depreciated | | | | | |
| Buildings | 15,185,704 | 0 | 0 | 0 | 15,185,704 |
| Leasehold improvements | 33,253 | 0 | 0 | 0 | 33,253 |
| Equipment and furnishings | 1,254,880 | (92,394) | 0 | 0 | 1,162,486 |
| <i>Total capital assets being depreciated</i> | 16,473,837 | (92,394) | 0 | 0 | 16,381,443 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (3,430,613) | 0 | (368,592) | 0 | (3,799,205) |
| Leasehold improvements | (2,084) | 0 | (13,939) | 0 | (16,023) |
| Equipment and furnishings | (954,449) | 94,132 | (92,841) | 0 | (953,158) |
| <i>Total accumulated depreciation</i> | (4,387,146) | 94,132 | (475,372) | 0 | (4,768,386) |
| <i>Business-Type activities capital assets, net</i> | \$12,806,405 | \$1,738 | (\$475,372) | \$0 | \$12,332,771 |

Depreciation expense for business-type activities for the year ended June 30, 2015 was \$475,372.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6. LONG-TERM DEBT

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

| | Balance June 30, 2014 | Additions | Reductions | Balance June 30, 2015 | Due Within One Year |
|---------------------------------|--------------------------|--------------------|----------------------|--------------------------|------------------------|
| Judicial Bond 2007A | \$3,666,348 | \$0 | (\$130,908) | \$3,535,440 | \$140,000 |
| Entertainment Complex 2007B | 5,878,402 | 0 | (5,878,402) | 0 | 0 |
| Entertainment Complex 2015 | 0 | 6,185,000 | 0 | 6,185,000 | 450,000 |
| GRT Improvement Bonds 2015A | 0 | 1,000,000 | 0 | 1,000,000 | 81,954 |
| NMFA Loan | 620,743 | 0 | (205,568) | 415,175 | 206,781 |
| Compensated absences | 526,613 | 456,598 | (412,961) | 570,250 | 3,824 |
| Total primary government | \$10,692,106 | \$7,641,598 | (\$6,627,839) | \$11,705,865 | \$882,559 |

Liabilities for compensated absences are generally liquidated by the fund from which the employee's salaries are paid; the majority of the County's liability will be satisfied by payments from the General Fund.

Bond – Judicial Complex 2007A

On October 19, 2007, the County entered into a bond agreement for the construction of a Judicial Complex. The bond maturity amount is \$4,515,000, but was discounted \$102,295 so the County received funds of \$4,412,705. The County pledged Correctional Facility Gross Receipts Tax for the repayment of the bond. Interest on the bond is due January 1 and July 1 of each year beginning in 2008. Interest rates for the bond began at 3.55% and increase until maturity up to 4.45%. The term of the bond is 25 years.

Loan debt service requirements to maturity are as follows:

| <u>Years Ending June 30,</u> | <u>Interest Rate</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------|----------------------|--------------------|--------------------|--------------------|
| 2016 | 3.750% | \$140,000 | \$148,323 | \$288,323 |
| 2017 | 3.850% | 145,000 | 142,979 | 287,979 |
| 2018 | 3.900% | 150,000 | 137,372 | 287,372 |
| 2019 | 3.900% | 155,000 | 131,463 | 286,463 |
| 2020 | 4.000% | 165,000 | 125,140 | 290,140 |
| 2021-2025 | 4.000%-4.200% | 920,000 | 519,430 | 1,439,430 |
| 2026-2030 | 4.200%-4.450% | 1,130,000 | 305,242 | 1,435,242 |
| 2031-2033 | 4.450% | 800,000 | 54,512 | 854,512 |
| Discount remaining | | (69,560) | 0 | (69,560) |
| | | \$3,535,440 | \$1,564,461 | \$5,099,901 |

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6. LONG-TERM DEBT (CONTINUED)

Bond – Entertainment Complex 2007B

On October 19, 2007, the County entered into a bond agreement for the construction of an Entertainment Complex. The bond maturity amount is \$7,165,000 but was discounted \$328,605 so the County received funds of \$6,836,395. The County pledged Taxable Capital Outlay Gross Receipts Tax for the repayment of the bond. Interest on the bond is due January 1 and July 1 of each year beginning in 2008. Interest rates for the bond began at 5.10% and increase until maturity up to 6.00%. The term of the bond is 25 years.

This bond was refunded February 4, 2015 and in substance defeased through the placement of funds in an irrevocable trust account. See Bond – Entertainment Complex 2015 below.

Bond – Entertainment Complex 2015

On February 4, 2015, the County issued \$6,185,000 in capital outlay gross receipts tax refunding revenue bonds with an interest rate of 3.05%. The County issued the bonds to advance refund \$5,930,000 of outstanding Entertainment Complex 2007 B series gross receipts tax revenue bonds with interest rates ranging from 5.10% to 6.00%. The County used the net proceeds along with an additional \$650,000 of County money to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 2006 series bond. As a result, that portion of the 2006 series bonds is considered defeased and the County has removed the liability from its accounts. The outstanding principal of the defeased bonds is \$5,930,000 at June 30, 2015. The advance refunding reduced total debt service payments over the next 17 years by \$2,009,442. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,271,782. The net present value savings is \$621,782 after consideration of the County equity contribution to escrow of \$650,000.

Interest and principal are payable semi-annually on January 1 and July 1 of each year beginning July 1, 2015. The final maturity of the bond is July 1, 2029.

Loan debt service requirements to maturity are as follows:

| <u>Years Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------|--------------------|--------------------|--------------------|
| 2016 | \$450,000 | \$167,157 | \$617,157 |
| 2017 | 350,000 | 172,325 | 522,325 |
| 2018 | 355,000 | 161,574 | 516,574 |
| 2019 | 370,000 | 150,594 | 520,594 |
| 2020 | 380,000 | 139,232 | 519,232 |
| 2021-2025 | 2,105,000 | 512,705 | 2,617,705 |
| 2026-2030 | 2,175,000 | 169,351 | 2,344,351 |
| | <u>\$6,185,000</u> | <u>\$1,472,938</u> | <u>\$7,657,938</u> |

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6. LONG-TERM DEBT (CONTINUED)

Bond – Gross Receipts Tax Improvement Revenue Bonds 2015A

On March 12, 2015, the County entered into a \$1,000,000 bond agreement for capital improvements at the Luna County Detention Center. The gross receipts tax improvement revenue bonds bear interest 2.90% and are to be repaid with gross receipts tax improvement revenue. Interest is payable semi-annually on December 1 and June 1 commencing on December 1, 2015. Principal payments are due annually on December 1 to commence on December 1, 2016.

| <u>Years Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------|--------------------|------------------|--------------------|
| 2016 | \$81,954 | \$35,847 | \$117,801 |
| 2017 | 90,578 | 28,201 | 118,779 |
| 2018 | 93,244 | 25,665 | 118,909 |
| 2019 | 95,987 | 22,963 | 118,950 |
| 2020 | 98,812 | 20,181 | 118,993 |
| 2021-2025 | 539,425 | 57,910 | 597,335 |
| | <u>\$1,000,000</u> | <u>\$190,767</u> | <u>\$1,190,767</u> |

NMFA Loan – Motor Graders #402

On December 14, 2012, the County entered into a loan and incept agreement with New Mexico Finance Authority for the purchase of four motor graders in the amount of \$875,691. Pledged gas tax monthly revenues of \$17,482 are intercepted and deposited into a debt service account with the State Treasurer on behalf of Luna County. Annual principal payments are paid from the debt service account on November 1st. The interest rate ranges from .38% to .78% with an additional maintenance fee of .100%. Interest is paid from the debt service account semi-annually on May 1st and November 1st. The loan term is 5.5 years and matures with the final payment on May 1, 2017.

Loan debt service requirements to maturity are as follows:

| <u>Years Ending June 30,</u> | <u>Interest Rate</u> | <u>Principal</u> | <u>Interest and Maintenance Fee</u> | <u>Total</u> |
|------------------------------|----------------------|------------------|---|------------------|
| 2016 | .59%-.78% | \$206,781 | \$3,008 | \$209,789 |
| 2017 | .78% | 208,394 | 1,396 | 209,790 |
| | | <u>\$415,175</u> | <u>\$4,404</u> | <u>\$419,579</u> |

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

| | <u>Balance June 30, 2014</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance June 30, 2015</u> | <u>Due Within One Year</u> |
|----------------------|----------------------------------|------------------|-------------------|----------------------------------|--------------------------------|
| Compensated absences | \$221,227 | \$225,254 | \$211,721 | \$234,760 | \$34,936 |

Liabilities for compensated absences are generally liquidated in the detention center fund.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 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 were \$639,574. The assumption of risk transfers upon payment of premiums within the policy limits. To minimize the risk of loss for workers' compensation, the County participates in the New Mexico County Insurance Association (a risk pool of counties within the State of New Mexico). The pool is self insured for workers' compensation claims up to \$300,000. Above that amount, the pool maintains an Excess Employers' Reinsurance Policy.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

General Information about the Pension Plan

Plan description. The Public Employees Retirement Fund (PERA Fund) is a **cost-sharing, multiple employer defined benefit pension plan**. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C- 1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Contributions. The contribution requirements of defined benefit plan members and the County of Luna are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf. The PERA coverage options that apply to County of Luna are: Municipal General and Municipal Police. Statutorily required contributions to the pension plan from the County of Luna were \$846,760 and employer paid member benefits that were “picked up” by the employer were \$492,852 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2014.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

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

For PERA Fund Division Municipal General, at June 30, 2015, the County of Luna reported a liability of \$5,965,481 for its proportionate share of the net pension liability. At June 30, 2014, the County of Luna’s proportion was .7647 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the County of Luna recognized PERA Fund Division municipal general pension expense of \$700,723. At June 30, 2015, the County of Luna reported PERA Fund Division municipal general deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | | |
| Changes of assumptions | \$0 | \$4,043 |
| Net difference between projected and actual earnings on pension plan investments | 0 | 2,333,853 |
| Changes in proportion and differences between County of Luna contributions and proportionate share of contributions | 0 | 0 |
| County of Luna contributions subsequent to the measurement date | 1,040,351 | 0 |
| Total | \$1,040,351 | \$2,337,896 |

\$1,140,351 reported as deferred outflows of resources related to pensions resulting from County of Luna contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

| | |
|---------------------|---------------|
| Year ended June 30: | |
| 2016 | (\$584,469) |
| 2017 | (584,469) |
| 2018 | (584,469) |
| 2019 | (584,469) |
| 2020 | (20) |
| Thereafter | (\$2,337,896) |

For PERA Fund Division Municipal Police, at June 30, 2015, the County of Luna reported a liability of \$2,226,832 for its proportionate share of the net pension liability. At June 30, 2014, the County of Luna’s proportion was .6831 percent, which was an increase of zero from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the County of Luna recognized PERA Fund Division municipal police pension expense of \$208,806. At June 30, 2015, the County of Luna reported PERA Fund Division municipal police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | | |
| Changes of assumptions | \$0 | \$180,895 |
| Net difference between projected and actual earnings on pension plan investments | 0 | 828,034 |
| Changes in proportion and differences between County of Luna contributions and proportionate share of contributions | 0 | 0 |
| County of Luna contributions subsequent to the measurement date | 299,261 | 0 |
| Total | \$299,261 | \$1,008,929 |

\$299,261 reported as deferred outflows of resources related to pensions resulting from County of Luna contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

| | |
|---------------------|---------------|
| Year ended June 30: | |
| 2016 | (\$252,007) |
| 2017 | (255,007) |
| 2018 | (255,007) |
| 2019 | (255,007) |
| 2020 | (901) |
| Thereafter | (\$1,008,929) |

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

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

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

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

| ALL FUNDS – Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------------|-------------------|---|
| US Equity | 21.1% | 5.00% |
| International Equity | 24.8 | 5.20 |
| Private Equity | 7.0 | 8.20 |
| Core and Global Fixed Income | 26.1 | 1.85 |
| Fixed Income Plus Sectors | 5.0 | 4.80 |
| Real Estate | 5.0 | 5.30 |
| Real Assets | 7.0 | 5.70 |
| Absolute Return | 4.0 | 4.15 |
| Total | 100.0% | |

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

| PERA Fund Division Municipal General | 1% Decrease (6.75%) | Current Discount Rate (7.75%) | 1% Increase (8.75%) |
|---|--------------------------------|--|--------------------------------|
| County of Luna’s proportionate share of the net pension liability | \$11,246,272 | \$5,965,481 | \$1,885,816 |
| PERA Fund Division Municipal Police | 1% Decrease (6.75%) | Current Discount Rate (7.75%) | 1% Increase (8.75%) |
| County of Luna’s proportionate share of the net pension liability | \$4,246,572 | \$2,226,832 | \$718,719 |

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

Payables to the pension plan. County of Luna is legally required to make defined contribution to the cost sharing pension plan on behalf of its participant employees. At June 30, 2015, the School had paid all required contributions and therefore, there is no payable to the pension plan.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description. County of Luna contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statutes required each participating employer to contribute 2.5 of each participating employee's annual salary; and each participating employee was required to contribute 1.25 of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0 of each participating employee's annual salary; each participating employee was required to contribute 1.0 of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The County of Luna's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$157,942, \$157,380 and \$156,180, respectively, which equal the required contributions for each year.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10. CONTINGENT LIABILITIES

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

The County is involved in 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.

NOTE 11. FUND BALANCE CLASSIFICATIONS

The County has defined fund balance classifications for governmental funds as follows:

Nonspendable Fund Balance – includes amounts that by their nature are not expendable such as inventories, prepaids and long-term notes receivable.

Restricted Fund Balance – includes amounts that have constraints placed on their use which are:

externally imposed by:

- Creditors (such as debt covenants)
- Grantors
- Contributors
- Laws or regulations of other governments (state and federal)

OR

imposed by law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the County 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 purpose 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.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolution of the County's Commission. These committed amounts cannot be used for any other purposes unless the government removes or changes the specified use by resolution (the same type of action taken to commit the funds).

Assigned Fund Balance – includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the County Commission, a finance or budget committee, or the County Manager to which the Commission has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – includes amounts in the General Fund that have not been classified in any other fund balance category noted above.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11. FUND BALANCE CLASSIFICATIONS (CONTINUED)

Hierarchy of Application of Expenditures

The County will apply restricted resources first when an expenditure is incurred for which both restricted and unrestricted fund balance or net position is available.

The County will apply committed resources first, then assigned, then unassigned when an expenditure is incurred for which amounts in any of these unrestricted fund balance classifications could be used.

The classification of governmental fund balances are as follows:

| | General Fund | Major Special Revenue Fund-Road | Major Capital Projects County Maintenance | Fund- Entertainment Complex Bond | Other Funds | Total |
|--------------------------------|--------------------|---------------------------------------|--|--|--------------------|---------------------|
| Fund Balances: | | | | | | |
| Nonspendable: | | | | | | |
| Inventory | \$0 | \$143,623 | \$0 | \$0 | \$0 | \$143,623 |
| Restricted for: | | | | | | |
| Ambulance services | 0 | 0 | 0 | 0 | 403,095 | 403,095 |
| Health and social services | 0 | 0 | 0 | 0 | 476,268 | 476,268 |
| DWI prevention/education | 0 | 0 | 0 | 0 | 139,273 | 139,273 |
| DWI services | 0 | 0 | 0 | 0 | 22,871 | 22,871 |
| Conservation and range control | 0 | 0 | 0 | 0 | 29,308 | 29,308 |
| Fire protection | 0 | 0 | 0 | 0 | 62,396 | 62,396 |
| Indigent claims – health | 0 | 0 | 0 | 0 | 749,879 | 749,879 |
| Law enforcement | 0 | 0 | 0 | 0 | 260,062 | 260,062 |
| Recreation | 0 | 0 | 0 | 0 | 143 | 143 |
| Reappraisals | 0 | 0 | 0 | 0 | 499,261 | 499,261 |
| Volunteer fire services | 0 | 0 | 0 | 0 | 470,087 | 470,087 |
| Debt service | 0 | 0 | 0 | 609,611 | 1,589,465 | 2,199,076 |
| Committed To: | | | | | | |
| Capital projects | 0 | 0 | 0 | 0 | 596,760 | 596,760 |
| Assigned To: | | | | | | |
| Road surface repairs | 0 | 1,391,527 | 0 | 0 | 0 | 1,391,527 |
| County maintenance/projects | 0 | 0 | 6,330,186 | 0 | 0 | 6,330,186 |
| Clerk's office | 0 | 0 | 0 | 0 | 102,172 | 102,172 |
| Education | 0 | 0 | 0 | 0 | 493,453 | 493,453 |
| Waste/recycling | 0 | 0 | 0 | 0 | 5,889 | 5,889 |
| Treasurer's office | 0 | 0 | 0 | 0 | 372,233 | 372,233 |
| Assessor's non-rendition fees | 0 | 0 | 0 | 0 | 73,858 | 73,858 |
| Unassigned | 7,635,070 | 0 | 0 | 0 | 0 | 7,635,070 |
| Total fund balances | \$7,635,070 | \$1,535,150 | \$6,330,186 | \$609,611 | \$6,346,473 | \$22,456,490 |

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12. STARMAX ENTERTAINMENT COMPLEX OPERATIONS

In September 2012, the County took over the operations of the Starmax Entertainment Complex after the contracted operator and the County mutually terminated the operating agreement. As the operator of the facility the County entered into agreements with the movie production companies to receive digital film. The film companies required an individual guarantor. Therefore, the County Manager was named as the guarantor. The operations of the Entertainment Complex are shown in these financial statements as a proprietary fund and operated as a limited liability company.

NOTE 13. RESTATEMENTS

Governmental Activities:

| | |
|--|---------------|
| Capital asset corrections | (\$369,173) |
| Accumulated depreciation – prior depreciation correction | 80,989 |
| Grant receivable correction | (63,375) |
| Net pension liability at June 30, 2014 | (7,508,943) |
| | (\$7,860,502) |

Business-Type Activities/Proprietary Funds:

| | |
|--|---------------|
| Capital asset corrections – Detention | (\$999) |
| Net pension liability as of June 30, 2014 – Detention | (3,423,195) |
| Net pension liability as of June 30, 2014 – Entertainment Complex Operations | (110,425) |
| Capital asset corrections – Entertainment Complex Operations | 5,354 |
| Capital asset corrections – Columbus Stockyards | (2,616) |
| | (\$3,531,881) |

Governmental Funds:

| | |
|-----------------------------|------------|
| General Fund | |
| Grant receivable correction | \$28,630 |
| Nonmajor Governmental Funds | |
| Grant receivable correction | (92,005) |
| | (\$63,375) |

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE COUNTY OF LUNA'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY OF PERA FUND DIVISION
MUNICIPAL GENERAL**

Public Employees Retirement Association (PERA) Plan

Last 10 Fiscal Years*

| | 2015 |
|---|-------------|
| County of Luna's proportion of the net pension liability (asset) | 0.7647% |
| County of Luna's proportionate share of the net pension liability (asset) | \$5,965,481 |
| County of Luna's covered-employee payroll | \$6,287,461 |
| County of Luna's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 94.87% |
| Plan fiduciary net position as a percentage of the total pension liability | 81.5% |

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

**SCHEDULE OF THE COUNTY OF LUNA'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY OF PERA FUND DIVISION
MUNICIPAL POLICE**

Public Employees Retirement Association (PERA) Plan

Last 10 Fiscal Years*

| | 2015 |
|---|-------------|
| County of Luna's proportion of the net pension liability (asset) | 0.6831% |
| County of Luna's proportionate share of the net pension liability (asset) | \$2,226,832 |
| County of Luna's covered-employee payroll | \$1,258,949 |
| County of Luna's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 176.88% |
| Plan fiduciary net position as a percentage of the total pension liability | 78.3% |

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

SCHEDULE OF COUNTY OF LUNA'S CONTRIBUTIONS
Public Employees Retirement Association (PERA) Plan
PERA FUND DIVISION - MUNICIPAL GENERAL
Last 10 Fiscal Years*

| | 2015 |
|--|-------------|
| Contractually required contribution | \$607,351 |
| Contributions in relation to the contractually required contribution | \$607,351 |
| Contribution deficiency (excess) | \$0 |
| County of Luna's covered-employee payroll | \$6,287,461 |
| Contributions as a percentage of covered-employee payroll | 9.66% |

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

SCHEDULE OF COUNTY OF LUNA'S CONTRIBUTIONS
Public Employees Retirement Association (PERA) Plan
PERA FUND DIVISION MUNICIPAL POLICE
Last 10 Fiscal Years*

| | 2015 |
|--|-------------|
| Contractually required contribution | \$239,409 |
| Contributions in relation to the contractually required contribution | \$239,409 |
| Contribution deficiency (excess) | \$0 |
| County of Luna's covered-employee payroll | \$1,258,949 |
| Contributions as a percentage of covered-employee payroll | 19.02% |

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

COUNTY OF LUNA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

Public Employee Retirement Association Plan (PERA)

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Changes of assumptions.

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

http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf. The summary of Key Findings for the PERA Fund (on page 2 of the report) states “based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

SUPPLEMENTARY INFORMATION

COUNTY OF LUNA
SPECIAL REVENUE FUNDS
JUNE 30, 2015

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources, other than expendable trusts and major capital projects that are legally restricted to expenditures for specific purposes.

Ambulance County (1/8% GRT) – To account for support of the County’s financial share of the ambulance system. Financing is provided by allotments from the State of New Mexico Fire Marshal’s Office and by EMS grants. The authority to create this fund was given by Section 7-27-4.11, NMSA 1978.

Assessor’s Non-rendition – To account for non-rendition fees collected and set aside by the County Commission to be expended for the Assessor’s Office capital needs. The authority to create this fund is by County ordinance.

CASA Program – To account for the funds received through the Administrative Office of the Courts to provide for Court Appointed Special Advocates. The authority to create this fund is by County ordinance.

Community Health and Social Services – To account for the funds received to aid the lower income residents in Luna County.

Domestic Violence Shelter (formerly Healing House) Fund – Domestic Violence Shelter. Separated so that the Healing House could become self sustaining. The authority to create this fund is by County ordinance

DWI Compliance Monitoring – To account for fees to monitor DWI offenders. The authority to create this fund is by County ordinance.

DWI Grants – To account for various funds provided to promote awareness and prevention of DWI. The authority was given by Section 11-6A-3, BNSA 1978.

DWI Screening Fees – To account for fees collected from DWI offenders. The authority to create this fund is by County ordinance.

DWI Treatment Fees – To account for fees DWI offenders who receive treatment. The authority to create this fund is by County ordinance.

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. The authority was provided by the Taylor Grazing Act. (6-11-6 NMSA 1978).

Fire Protection Fund (1/4% GRT) – To account for the state shared gross receipts for the acquisition and maintenance of adequate fire protection facilities in the Luna County area. The authority was given by Section 7-20E-15, NMSA 1978.

Healthy Start Initiative – To account for proceeds and expenditures related to a federal grant to eliminate ethnic disparities in prenatal health by providing consortium and care coordination/case management. This fund has been established in accordance with federal regulations set forth by U.S. Department of Health and Human Services, Healthy Start Initiative.

Indigent Hospital Claims – To account for the support of indigent hospital patients who are residents of Luna County. Financing is provided by the imposition of a one-fourth of one-percent sales tax in compliance with the county Sales Tax Act. The authority to create this fund was given by 27-5-7, NMSA 1978.

COUNTY OF LUNA
SPECIAL REVENUE FUNDS
JUNE 30, 2015

Special Revenue Funds (Continued)

KLCB Aluminum – To account for funds that are collected from the sale of donated aluminum cans. These funds are to be used for the Keep Luna County Beautiful project. The authority to create this fund is by County ordinance.

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 1978.

Mimbres Valley Learning Center – To account for the revenues and expenditures for maintaining and improving the learning center. The fund was established by County ordinance.

Recreation – To account for the monies specifically set aside by County ordinance for maintenance and creation of recreation facilities. There have been no transactions in this fund for several years. The fund was established by County ordinance. The authority was given by 5-4-3, NMSA 1978.

Reappraisal Program – To account for proceeds from property taxes and the one-percent administrative fees assessed by county treasurers to revenue recipients. The authority was given by 72-2-21.1, NMSA 1978.

Recording Fees – To account for the proceeds collected by the county clerk's office for recording fees. The authority to create this fund is by County ordinance.

Sirolli Institute – To account for a grant that is an effort to develop community opportunity for economic development. The authority to create this fund is by County ordinance.

Solid Waste Grant – To account for grant funds that are to be used to close the landfill formerly operated by the County. Financing is provided by a grant from the New Mexico Environment Department under the New Mexico Rural Infrastructure Act. Section 78-1-1, NMSA 1978.

Treasurer's Mobile Home Sales – To account for fees collected to recover costs incurred in preparing for the sale of delinquent personal property. The authority to create this fund was given by County ordinance.

Volunteer Fire Departments – To account for funds received from state fire distribution for tanker fire truck debt service to New Mexico Finance Authority. The authority was given by Section 59A-53-7, NMSA 1978.

COUNTY OF LUNA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2015

| | Ambulance | Assessor's Non-render- tion Fees | CASA Program | Community Health and Social Services | Community Services (formerly Healthy Start) |
|---|------------------|--|-----------------|---|---|
| ASSETS | | | | | |
| Cash and cash equivalents | \$344,205 | \$72,947 | \$38,620 | \$1,770 | \$129,411 |
| Investments | 0 | 0 | 0 | 0 | 0 |
| Receivables: | | | | | |
| Due from other governments | 58,890 | 0 | 0 | 0 | 0 |
| Grants | 0 | 0 | 13,712 | 0 | 220,763 |
| Accounts receivable | 0 | 0 | 0 | 0 | 0 |
| Property tax receivable | 0 | 41,135 | 0 | 0 | 0 |
| Due from other funds | 0 | 0 | 0 | 0 | 0 |
| Total assets | \$403,095 | \$114,082 | \$52,332 | \$1,770 | \$350,174 |
| LIABILITIES AND FUND BALANCE | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$0 | \$0 | \$89 | \$0 | \$6,675 |
| Accrued salaries | 0 | 0 | 2,143 | 0 | 15,905 |
| Accrued compensated absences - ST | 0 | 0 | 0 | 0 | 0 |
| Bank overdraft | 0 | 0 | 0 | 0 | 0 |
| Due to other funds | 0 | 0 | 0 | 0 | 0 |
| Total liabilities | 0 | 0 | 2,232 | 0 | 22,580 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Property taxes | 0 | 40,224 | 0 | 0 | 0 |
| Fund Balance: | | | | | |
| Restricted | 403,095 | 0 | 50,100 | 1,770 | 327,594 |
| Committed | 0 | 0 | 0 | 0 | 0 |
| Assigned | 0 | 73,858 | 0 | 0 | 0 |
| Unassigned | 0 | 0 | 0 | 0 | 0 |
| Total fund balance | 403,095 | 73,858 | 50,100 | 1,770 | 327,594 |
| Total liabilities and fund balance | \$403,095 | \$114,082 | \$52,332 | \$1,770 | \$350,174 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2015

| | Domestic Violence Shelter (formerly Healing House | DWI Compliance Monitoring | DWI Grant | DWI Screening Fees | DWI Treatment Fees | Farm and Range |
|---|--|---------------------------------|------------------|--------------------------|--------------------------|-------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$77,664 | \$22,871 | \$42,074 | \$22,244 | \$4,046 | \$31,253 |
| Investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivables: | | | | | | |
| Due from other governments | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants | 24,199 | 0 | 24,239 | 0 | 0 | 0 |
| Accounts receivable | 0 | 0 | 0 | 0 | 0 | 0 |
| Property tax receivable | 0 | 0 | 0 | 0 | 0 | 557 |
| Due from other funds | 8,731 | 0 | 51,683 | 0 | 0 | 0 |
| Total assets | \$110,594 | \$22,871 | \$117,996 | \$22,244 | \$4,046 | \$31,810 |
| LIABILITIES AND FUND BALANCE | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$368 | \$0 | \$342 | \$0 | \$0 | \$2,115 |
| Accrued salaries | 7,056 | 0 | 4,671 | 0 | 0 | 0 |
| Accrued compensated absences - ST | 0 | 0 | 0 | 0 | 0 | 0 |
| Bank overdraft | 0 | 0 | 0 | 0 | 0 | 0 |
| Due to other funds | 6,366 | 0 | 0 | 0 | 0 | 0 |
| Total liabilities | 13,790 | 0 | 5,013 | 0 | 0 | 2,115 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Property taxes | 0 | 0 | 0 | 0 | 0 | 387 |
| Fund Balance: | | | | | | |
| Restricted | 96,804 | 22,871 | 112,983 | 22,244 | 4,046 | 29,308 |
| Committed | 0 | 0 | 0 | 0 | 0 | 0 |
| Assigned | 0 | 0 | 0 | 0 | 0 | 0 |
| Unassigned | 0 | 0 | 0 | 0 | 0 | 0 |
| Total fund balance | 96,804 | 22,871 | 112,983 | 22,244 | 4,046 | 29,308 |
| Total liabilities and fund balance | \$110,594 | \$22,871 | \$117,996 | \$22,244 | \$4,046 | \$31,810 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2015

| | Fire Protection | Indigent Hospital Claims | KLCB Aluminum Recycling | Law Enforcement Protection | Mimbres Valley Learning Center | Recreation |
|---|--------------------|--------------------------------|-------------------------------|----------------------------------|---|--------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$35,634 | \$632,099 | (\$1,299) | \$39,894 | \$458,341 | \$143 |
| Investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivables: | | | | | | |
| Due from other governments | 0 | 117,780 | 0 | 50,781 | 35,112 | 0 |
| Grants | 0 | 0 | 7,365 | 290,398 | 0 | 0 |
| Accounts receivable | 26,762 | 0 | 0 | 23,237 | 0 | 0 |
| Property tax receivable | 0 | 0 | 0 | 0 | 0 | 0 |
| Due from other funds | 0 | 0 | 0 | 6,366 | 0 | 0 |
| Total assets | \$62,396 | \$749,879 | \$6,066 | \$410,676 | \$493,453 | \$143 |
| LIABILITIES AND FUND BALANCE | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$0 | \$0 | \$0 | \$132,687 | \$0 | \$0 |
| Accrued salaries | 0 | 0 | 250 | 9,196 | 0 | 0 |
| Accrued compensated absences - ST | 0 | 0 | 0 | 0 | 0 | 0 |
| Bank overdraft | 0 | 0 | 0 | 0 | 0 | 0 |
| Due to other funds | 0 | 0 | 0 | 8,731 | 0 | 0 |
| Total liabilities | 0 | 0 | 250 | 150,614 | 0 | 0 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Property taxes | 0 | 0 | 0 | 0 | 0 | 0 |
| Fund Balance: | | | | | | |
| Restricted | 62,396 | 749,879 | 0 | 260,062 | 0 | 143 |
| Committed | 0 | 0 | 0 | 0 | 0 | 0 |
| Assigned | 0 | 0 | 5,816 | 0 | 493,453 | 0 |
| Unassigned | 0 | 0 | 0 | 0 | 0 | 0 |
| Total fund balance | 62,396 | 749,879 | 5,816 | 260,062 | 493,453 | 143 |
| Total liabilities and fund balance | \$62,396 | \$749,879 | \$6,066 | \$410,676 | \$493,453 | \$143 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2015

| | Reappraisal Program | Recording Fees | Solid Waste Grant | Treasurer's Mobile Home Sales | Volunteer Fire Departments | Totals |
|---|------------------------|-------------------|-------------------------|--|----------------------------------|--------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$498,614 | \$102,172 | \$73 | \$372,233 | \$473,129 | \$3,398,138 |
| Investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivables: | | | | | | |
| Due from other governments | 0 | 0 | 0 | 0 | 0 | 262,563 |
| Grants | 0 | 0 | 0 | 0 | 0 | 580,676 |
| Accounts receivable | 0 | 0 | 0 | 0 | 0 | 49,999 |
| Property tax receivable | 69,199 | 0 | 0 | 0 | 0 | 110,891 |
| Due from other funds | 0 | 0 | 0 | 0 | 0 | 66,780 |
| Total assets | \$567,813 | \$102,172 | \$73 | \$372,233 | \$473,129 | \$4,469,047 |
| LIABILITIES AND FUND BALANCE | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$0 | \$0 | \$0 | \$0 | \$3,042 | \$145,318 |
| Accrued salaries | 1,036 | 0 | 0 | 0 | 0 | 40,257 |
| Accrued compensated absences - ST | 0 | 0 | 0 | 0 | 0 | 0 |
| Bank overdraft | 0 | 0 | 0 | 0 | 0 | 0 |
| Due to other funds | 0 | 0 | 0 | 0 | 0 | 15,097 |
| Total liabilities | 1,036 | 0 | 0 | 0 | 3,042 | 200,672 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Property taxes | 67,516 | 0 | 0 | 0 | 0 | 108,127 |
| Fund Balance: | | | | | | |
| Restricted | 499,261 | 0 | 0 | 0 | 470,087 | 3,112,643 |
| Committed | 0 | 0 | 0 | 0 | 0 | 0 |
| Assigned | 0 | 102,172 | 73 | 372,233 | 0 | 1,047,605 |
| Unassigned | 0 | 0 | 0 | 0 | 0 | 0 |
| Total fund balance | 499,261 | 102,172 | 73 | 372,233 | 470,087 | 4,160,248 |
| Total liabilities and fund balance | \$567,813 | \$102,172 | \$73 | \$372,233 | \$473,129 | \$4,469,047 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Ambulance | Assessor's Non-remi- tion Fees | CASA Program | Community Health and Social Services | Community Services (formerly Healthy Start) |
|---|------------------|--------------------------------------|-----------------|---|---|
| REVENUES | | | | | |
| Property tax | \$0 | \$38,125 | \$0 | \$0 | \$0 |
| State shared taxes | 324,339 | 0 | 0 | 0 | 0 |
| Intergovernmental | 29,230 | 0 | 0 | 0 | 0 |
| Charges for services | 0 | 0 | 0 | 0 | 0 |
| Interest income | 0 | 0 | 0 | 0 | 0 |
| Federal grants | 0 | 0 | 31,454 | 0 | 116,204 |
| State grants/sources | 0 | 0 | 95,810 | 0 | 936,584 |
| Sale of County property | 0 | 0 | 0 | 0 | 0 |
| Other income | 0 | 0 | 321 | 0 | 2,923 |
| <i>Total revenues</i> | 353,569 | 38,125 | 127,585 | 0 | 1,055,711 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 0 | 25,793 | 0 | 0 | 0 |
| Public works | 0 | 0 | 0 | 0 | 0 |
| Public safety | 351,250 | 0 | 0 | 0 | 0 |
| Health and welfare | 0 | 0 | 102,665 | 2 | 991,655 |
| Culture and recreation | 0 | 0 | 0 | 0 | 0 |
| Debt service principal | 0 | 0 | 0 | 0 | 0 |
| Capital outlay | 0 | 3,402 | 0 | 0 | 0 |
| <i>Total expenditures</i> | 351,250 | 29,195 | 102,665 | 2 | 991,655 |
| <i>Excess (deficiency) of revenues over expenditures</i> | 2,319 | 8,930 | 24,920 | (2) | 64,056 |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | 0 | 0 | 28,870 | 0 | 0 |
| Transfers out | 0 | 0 | 0 | 0 | 0 |
| <i>Total other financing sources (uses)</i> | 0 | 0 | 28,870 | 0 | 0 |
| <i>Net changes in fund balances</i> | 2,319 | 8,930 | 53,790 | (2) | 64,056 |
| Fund balance - beginning of year, as previously stated | 400,776 | 64,928 | 0 | 1,772 | 326,913 |
| Restatements | 0 | 0 | (3,690) | 0 | (63,375) |
| <i>Fund balance - beginning of year, as restated</i> | 400,776 | 64,928 | (3,690) | 1,772 | 263,538 |
| Fund balance - end of year | \$403,095 | \$73,858 | \$50,100 | \$1,770 | \$327,594 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Domestic Violence Shelter (formerly Healing House) | DWI Compliance Monitoring | DWI Grant | DWI Screening Fees | DWI Treatment Fees | Farm and Range |
|---|---|---------------------------------|------------------|--------------------------|--------------------------|-------------------|
| REVENUES | | | | | | |
| Property tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$13,676 |
| State shared taxes | 0 | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 2,445 | 0 | 0 | 0 | 0 | 16,306 |
| Charges for services | 0 | 18,835 | 0 | 4,530 | 5,895 | 0 |
| Interest income | 0 | 0 | 0 | 0 | 0 | 239 |
| Federal grants | 64,760 | 0 | 0 | 0 | 0 | 0 |
| State grants/sources | 163,608 | 0 | 199,801 | 0 | 0 | 0 |
| Sale of County property | 0 | 0 | 0 | 0 | 0 | 0 |
| Other income | 1,699 | 0 | 2,058 | 0 | 0 | 0 |
| <i>Total revenues</i> | 232,512 | 18,835 | 201,859 | 4,530 | 5,895 | 30,221 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 0 | 0 | 0 | 0 | 0 | 32,500 |
| Public works | 0 | 0 | 0 | 0 | 0 | 0 |
| Public safety | 0 | 0 | 0 | 0 | 0 | 0 |
| Health and welfare | 217,699 | 1,638 | 203,172 | 1,384 | 4,220 | 0 |
| Culture and recreation | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt service principal | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital outlay | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Total expenditures</i> | 217,699 | 1,638 | 203,172 | 1,384 | 4,220 | 32,500 |
| <i>Excess (deficiency) of revenues over expenditures</i> | 14,813 | 17,197 | (1,313) | 3,146 | 1,675 | (2,279) |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | 50,000 | 0 | 0 | 0 | 0 | 6,000 |
| Transfers out | (50,922) | 0 | 0 | 0 | 0 | 0 |
| <i>Total other financing sources (uses)</i> | (922) | 0 | 0 | 0 | 0 | 6,000 |
| <i>Net changes in fund balances</i> | 13,891 | 17,197 | (1,313) | 3,146 | 1,675 | 3,721 |
| Fund balance - beginning of year, as previously stated | 79,223 | 5,674 | 114,296 | 19,098 | 2,371 | 25,587 |
| Restatements | 3,690 | 0 | 0 | 0 | 0 | 0 |
| <i>Fund balance - beginning of year, as restated</i> | 82,913 | 5,674 | 114,296 | 19,098 | 2,371 | 25,587 |
| Fund balance - end of year | \$96,804 | \$22,871 | \$112,983 | \$22,244 | \$4,046 | \$29,308 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Fire Protection | Indigent Hospital Claims | KLCB Aluminum Recycling | Law Enforcement Protection | Mimbres Valley Learning Center | Recreation |
|---|--------------------|--------------------------------|-------------------------------|----------------------------------|---|--------------|
| REVENUES | | | | | | |
| Property tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| State shared taxes | 147,470 | 0 | 0 | 36,473 | 176,785 | 0 |
| Intergovernmental | 0 | 707,140 | 0 | 0 | 0 | 0 |
| Charges for services | 0 | 0 | 608 | 0 | 146,506 | 0 |
| Interest income | 0 | 2,560 | 0 | 262 | 0 | 0 |
| Federal grants | 0 | 0 | 0 | 995,636 | 0 | 0 |
| State grants/sources | 0 | 0 | 20,856 | 295,610 | 0 | 0 |
| Sale of County property | 0 | 0 | 0 | 0 | 0 | 0 |
| Other income | 0 | 1,112 | 200 | 69,607 | 0 | 0 |
| <i>Total revenues</i> | 147,470 | 710,812 | 21,664 | 1,397,588 | 323,291 | 0 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 0 | 0 | 37,933 | 0 | 0 | 0 |
| Public works | 0 | 0 | 0 | 0 | 0 | 0 |
| Public safety | 150,196 | 0 | 0 | 1,704,708 | 0 | 0 |
| Health and welfare | 0 | 254,021 | 0 | 0 | 0 | 0 |
| Culture and recreation | 0 | 0 | 0 | 0 | 209,764 | 0 |
| Debt service principal | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital outlay | 0 | 0 | 0 | 37,347 | 0 | 0 |
| <i>Total expenditures</i> | 150,196 | 254,021 | 37,933 | 1,742,055 | 209,764 | 0 |
| <i>Excess (deficiency) of revenues over expenditures</i> | (2,726) | 456,791 | (16,269) | (344,467) | 113,527 | 0 |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | 0 | 0 | 17,200 | 0 | 0 | 0 |
| Transfers out | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Total other financing sources (uses)</i> | 0 | 0 | 17,200 | 0 | 0 | 0 |
| <i>Net changes in fund balances</i> | (2,726) | 456,791 | 931 | (344,467) | 113,527 | 0 |
| Fund balance - beginning of year, as previously stated | 65,122 | 293,088 | 33,515 | 604,529 | 379,926 | 143 |
| Restatements | 0 | 0 | (28,630) | 0 | 0 | 0 |
| <i>Fund balance - beginning of year, as restated</i> | 65,122 | 293,088 | 4,885 | 604,529 | 379,926 | 143 |
| Fund balance - end of year | \$62,396 | \$749,879 | \$5,816 | \$260,062 | \$493,453 | \$143 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Reappraisal Program | Recording Fees | Solid Waste Grant | Treasurer's Mobile Home Sales | Volunteer Fire Departments | Totals |
|---|-------------------------|-------------------------|-------------------------|--|----------------------------------|---------------------------|
| REVENUES | | | | | | |
| Property tax | \$127,185 | \$0 | \$0 | \$0 | \$0 | \$178,986 |
| State shared taxes | 0 | 0 | 0 | 0 | 0 | 685,067 |
| Intergovernmental | 0 | 0 | 0 | 0 | 0 | 755,121 |
| Charges for services | 0 | 32,502 | 0 | 0 | 0 | 208,876 |
| Interest income | 0 | 0 | 0 | 0 | 2,845 | 5,906 |
| Federal grants | 0 | 0 | 0 | 0 | 0 | 1,208,054 |
| State grants/sources | 0 | 0 | 0 | 0 | 192,101 | 1,904,370 |
| Sale of County property | 0 | 0 | 0 | 0 | 0 | 0 |
| Other income | 150 | 0 | 0 | 51,324 | 0 | 129,394 |
| <i>Total revenues</i> | <u>127,335</u> | <u>32,502</u> | <u>0</u> | <u>51,324</u> | <u>194,946</u> | <u>5,075,774</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 49,684 | 2,841 | 0 | 24,670 | 0 | 173,421 |
| Public works | 0 | 0 | 0 | 0 | 0 | 0 |
| Public safety | 0 | 0 | 0 | 0 | 65,840 | 2,271,994 |
| Health and welfare | 0 | 0 | 0 | 0 | 0 | 1,776,456 |
| Culture and recreation | 0 | 0 | 0 | 0 | 0 | 209,764 |
| Debt service principal | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital outlay | 0 | 12,685 | 0 | 0 | 17,934 | 71,368 |
| <i>Total expenditures</i> | <u>49,684</u> | <u>15,526</u> | <u>0</u> | <u>24,670</u> | <u>83,774</u> | <u>4,503,003</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>77,651</u> | <u>16,976</u> | <u>0</u> | <u>26,654</u> | <u>111,172</u> | <u>572,771</u> |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | 0 | 0 | 0 | 0 | 0 | 102,070 |
| Transfers out | (3,362) | 0 | 0 | 0 | 0 | (54,284) |
| <i>Total other financing sources (uses)</i> | <u>(3,362)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>47,786</u> |
| <i>Net changes in fund balances</i> | <u>74,289</u> | <u>16,976</u> | <u>0</u> | <u>26,654</u> | <u>111,172</u> | <u>620,557</u> |
| Fund balance - beginning of year, as previously stated | 424,972 | 85,196 | 73 | 345,579 | 358,915 | 3,631,696 |
| Restatements | 0 | 0 | 0 | 0 | 0 | (92,005) |
| <i>Fund balance - beginning of year, as restated</i> | <u>424,972</u> | <u>85,196</u> | <u>73</u> | <u>345,579</u> | <u>358,915</u> | <u>3,539,691</u> |
| Fund balance - end of year | <u>\$499,261</u> | <u>\$102,172</u> | <u>\$73</u> | <u>\$372,233</u> | <u>\$470,087</u> | <u>\$4,160,248</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
AMBULANCE 1/8% GRT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|----------------|--|
| REVENUES | | | | |
| State shared taxes | \$340,000 | \$340,000 | \$324,543 | (\$15,457) |
| Other income | 0 | 0 | 29,230 | 29,230 |
| <i>Total revenues</i> | <u>340,000</u> | <u>340,000</u> | <u>353,773</u> | <u>13,773</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 351,250 | 351,250 | 351,250 | 0 |
| <i>Total expenditures</i> | <u>351,250</u> | <u>351,250</u> | <u>351,250</u> | <u>0</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | (11,250) | (11,250) | <u>\$2,523</u> | <u>\$13,773</u> |
| <i>Budgeted cash carryover</i> | <u>11,250</u> | <u>11,250</u> | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|----------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$2,523 |
| Adjustments for revenue accruals | (204) |
| Adjustments for expenditures accruals | 0 |
| <u>Net changes in fund balance</u> | <u>\$2,319</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
ASSESSOR'S NON-RENDITION FEES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|----------------|--|
| REVENUES | | | | |
| Charges for services | \$25,000 | \$25,000 | \$37,214 | \$12,214 |
| <i>Total revenues</i> | 25,000 | 25,000 | 37,214 | 12,214 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 29,000 | 29,000 | 25,794 | 3,206 |
| Capital outlay | 15,000 | 15,000 | 3,401 | 11,599 |
| <i>Total expenditures</i> | 44,000 | 44,000 | 29,195 | 14,805 |
| <i>Excess (deficiency) of revenues over expenditures</i> | (19,000) | (19,000) | <u>\$8,019</u> | <u>\$27,019</u> |
| <i>Budgeted cash carryover</i> | 19,000 | 19,000 | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|----------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$8,019 |
| Adjustments for revenue accruals | 911 |
| Adjustments for expenditures accruals | 0 |
| <u>Net changes in fund balance</u> | <u>\$8,930</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
CASA PROGRAM
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|----------|--|
| REVENUES | | | | |
| Federal grants | \$48,106 | \$38,892 | \$25,726 | (\$13,166) |
| State grants | 95,810 | 95,810 | 87,826 | |
| Other income | 0 | 0 | 321 | 321 |
| <i>Total revenues</i> | 143,916 | 134,702 | 113,873 | (20,829) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 143,916 | 134,902 | 104,122 | 30,780 |
| <i>Total expenditures</i> | 143,916 | 134,902 | 104,122 | 30,780 |
| <i>Excess (deficiency) of revenues over expenditures</i> | 0 | (200) | 9,751 | 9,951 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | 28,870 | 28,870 | 28,870 | 0 |
| <i>Total other financing sources (uses)</i> | 28,870 | 28,870 | 28,870 | 0 |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | \$28,870 | \$28,670 | \$38,621 | \$9,951 |

Budgetary - GAAP Reporting Reconciliation:

| | |
|---|-----------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$38,621 |
| Adjustments for revenue accruals | 13,712 |
| Adjustments for expenditures accruals | 1,457 |
| Net changes in fund balance | \$53,790 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
COMMUNITY HEALTH AND SOCIAL SERVICES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|------------------|--|
| REVENUES | | | | |
| State grants | \$0 | \$0 | \$0 | \$0 |
| <i>Total revenues</i> | 0 | 0 | 0 | 0 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 1,550 | 1,550 | 1,550 | 0 |
| <i>Total expenditures</i> | 1,550 | 1,550 | 1,550 | 0 |
| <i>Excess (deficiency) of revenues over expenditures</i> | (1,550) | (1,550) | (1,550) | 0 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | 0 | 0 | 0 | 0 |
| <i>Total other financing sources (uses)</i> | 0 | 0 | 0 | 0 |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | (1,550) | (1,550) | <u>(\$1,550)</u> | <u>\$0</u> |
| Budgeted cash carryover | 1,550 | 1,550 | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|---|---------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | (\$1,550) |
| Adjustments for revenue accruals | 0 |
| Adjustments for expenditures accruals | 1,548 |
| Net changes in fund balance | <u>(\$2)</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
COMMUNITY SERVICES (formerly HEALTHY START)
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|------------------|--|
| REVENUES | | | | |
| Intergovernmental revenue | \$0 | \$0 | \$0 | \$0 |
| Federal grants | 128,806 | 128,806 | 96,834 | (31,972) |
| State grants | 975,672 | 975,672 | 882,406 | (93,266) |
| Other | 0 | 0 | 2,805 | 2,805 |
| <i>Total revenues</i> | <u>1,104,478</u> | <u>1,104,478</u> | <u>982,045</u> | <u>(122,433)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 1,063,510 | 1,160,119 | 991,236 | 168,883 |
| <i>Total expenditures</i> | <u>1,063,510</u> | <u>1,160,119</u> | <u>991,236</u> | <u>168,883</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | 40,968 | (55,641) | (9,191) | 46,450 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | 250,000 | 250,000 | 0 | (250,000) |
| <i>Total other financing sources (uses)</i> | <u>250,000</u> | <u>250,000</u> | <u>0</u> | <u>(250,000)</u> |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | <u>\$290,968</u> | <u>\$194,359</u> | <u>(\$9,191)</u> | <u>(\$203,550)</u> |
| Budgetary - GAAP Reporting Reconciliation: | | | | |
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | | | (\$9,191) | |
| Adjustments for revenue accruals | | | 73,666 | |
| Adjustments for expenditures accruals | | | (419) | |
| Net changes in fund balance | | | <u>\$64,056</u> | |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
DOMESTIC VIOLENCE SHELTER (formerly HEALING HOUSE)
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|-----------------|--|
| REVENUES | | | | |
| Intergovernmental revenue | \$0 | \$0 | \$0 | \$0 |
| State grants | 155,836 | 155,836 | 157,763 | 1,927 |
| Federal grants | 94,823 | 100,717 | 78,032 | (22,685) |
| Other income | 0 | 0 | 9,097 | 9,097 |
| <i>Total revenues</i> | <u>250,659</u> | <u>256,553</u> | <u>244,892</u> | <u>(11,661)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 0 | 0 | 0 | 0 |
| Public works | 0 | 0 | 0 | 0 |
| Health and welfare | 303,501 | 309,395 | 217,398 | 91,997 |
| Capital outlay | 0 | 0 | 0 | 0 |
| <i>Total expenditures</i> | <u>303,501</u> | <u>309,395</u> | <u>217,398</u> | <u>91,997</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | (52,842) | (52,842) | 27,494 | 80,336 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 50,000 | 50,000 | 50,000 | 0 |
| Operating transfers (out) | (50,922) | (50,922) | (50,922) | 0 |
| <i>Total other financing sources (uses)</i> | <u>(922)</u> | <u>(922)</u> | <u>(922)</u> | <u>0</u> |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | (53,764) | (53,764) | <u>\$26,572</u> | <u>\$80,336</u> |
| Budgeted cash carryover | 51,092 | 51,092 | | |
| | <u>(\$2,672)</u> | <u>(\$2,672)</u> | | |
| Budgetary - GAAP Reporting Reconciliation: | | | | |
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | | | \$26,572 | |
| Adjustments for revenue accruals | | | (12,380) | |
| Adjustments for expenditures accruals | | | (301) | |
| Net changes in fund balance | | | <u>\$13,891</u> | |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
DWI COMPLIANCE MONITORING
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|-----------------|--|
| REVENUES | | | | |
| Charges for services | \$2,000 | \$2,000 | \$18,835 | \$16,835 |
| Other income | 0 | 0 | 0 | 0 |
| <i>Total revenues</i> | 2,000 | 2,000 | 18,835 | 16,835 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 3,000 | 3,000 | 1,638 | 1,362 |
| <i>Total expenditures</i> | 3,000 | 3,000 | 1,638 | 1,362 |
| <i>Excess (deficiency) of revenues over expenditures</i> | (1,000) | (1,000) | <u>\$17,197</u> | <u>\$18,197</u> |
| <i>Budgeted cash carryover</i> | 1,000 | 1,000 | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|-----------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$17,197 |
| Adjustments for revenue accruals | 0 |
| Adjustments for expenditures accruals | 0 |
| <u>Net changes in fund balance</u> | <u>\$17,197</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
DWI GRANT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|----------------|--|
| REVENUES | | | | |
| State grants | \$203,538 | \$203,538 | \$203,344 | (\$194) |
| Other income | 8,000 | 8,000 | 2,000 | (6,000) |
| <i>Total revenues</i> | <u>211,538</u> | <u>211,538</u> | <u>205,344</u> | <u>(6,194)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 215,085 | 225,176 | 202,743 | 22,433 |
| Capital outlay | 0 | 0 | 0 | 0 |
| <i>Total expenditures</i> | <u>215,085</u> | <u>225,176</u> | <u>202,743</u> | <u>22,433</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | (3,547) | (13,638) | 2,601 | 16,239 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | 0 | 0 | 0 | 0 |
| <i>Total other financing sources (uses)</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | (3,547) | (13,638) | <u>\$2,601</u> | <u>\$16,239</u> |
| Budgeted cash carryover | 3,547 | 13,638 | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|---|-------------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$2,601 |
| Adjustments for revenue accruals | (3,485) |
| Adjustments for expenditures accruals | (429) |
| Net changes in fund balance | <u>(\$1,313)</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
DWI SCREENING FEES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|----------------|--|
| REVENUES | | | | |
| Charges for services | \$4,500 | \$4,500 | \$4,530 | \$30 |
| Other income | 0 | 0 | 0 | 0 |
| <i>Total revenues</i> | 4,500 | 4,500 | 4,530 | 30 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 6,000 | 6,000 | 1,614 | 4,386 |
| <i>Total expenditures</i> | 6,000 | 6,000 | 1,614 | 4,386 |
| <i>Excess (deficiency) of revenues over expenditures</i> | (1,500) | (1,500) | <u>\$2,916</u> | <u>\$4,386</u> |
| <i>Budgeted cash carryover</i> | 1,500 | 1,500 | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|----------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$2,916 |
| Adjustments for revenue accruals | 0 |
| Adjustments for expenditures accruals | 230 |
| <i>Net changes in fund balance</i> | <u>\$3,146</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
DWI TREATMENT FEES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|----------------|--|
| REVENUES | | | | |
| State grants | \$0 | \$0 | \$0 | \$0 |
| Charges for services | 2,500 | 2,500 | 5,895 | 3,395 |
| <i>Total revenues</i> | 2,500 | 2,500 | 5,895 | 3,395 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 3,500 | 4,220 | 4,220 | 0 |
| <i>Total expenditures</i> | 3,500 | 4,220 | 4,220 | 0 |
| <i>Excess (deficiency) of revenues over expenditures</i> | (1,000) | (1,720) | <u>\$1,675</u> | <u>\$3,395</u> |
| <i>Budgeted cash carryover</i> | 1,000 | 1,720 | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|----------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$1,675 |
| Adjustments for revenue accruals | 0 |
| Adjustments for expenditures accruals | 0 |
| <u>Net changes in fund balance</u> | <u>\$1,675</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
FARM AND RANGE
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|----------------|--|
| REVENUES | | | | |
| Property tax | \$10,200 | \$10,200 | \$13,626 | \$3,426 |
| Intergovernmental revenue | 13,000 | 13,000 | 16,306 | 3,306 |
| Interest income | 100 | 100 | 239 | 139 |
| <i>Total revenues</i> | <u>23,300</u> | <u>23,300</u> | <u>30,171</u> | <u>6,871</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 35,706 | 35,706 | 33,592 | 2,114 |
| <i>Total expenditures</i> | <u>35,706</u> | <u>35,706</u> | <u>33,592</u> | <u>2,114</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | (12,406) | (12,406) | (3,421) | 8,985 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | 6,000 | 6,000 | 6,000 | 0 |
| <i>Total other financing sources (uses)</i> | <u>6,000</u> | <u>6,000</u> | <u>6,000</u> | <u>0</u> |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | (6,406) | (6,406) | <u>\$2,579</u> | <u>\$8,985</u> |
| Budgeted cash carryover | 6,406 | 6,406 | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|---|-----------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$2,579 |
| Adjustments for revenue accruals | 50 |
| Adjustments for expenditures accruals | 1,092 |
| Net changes in fund balance | <u>\$3,721</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
FIRE PROTECTION (1/4% GRT)
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|-----------|--|
| REVENUES | | | | |
| State shared tax | \$150,000 | \$150,000 | \$149,048 | (\$952) |
| State grants | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | - |
| <i>Total revenues</i> | 150,000 | 150,000 | 149,048 | (952) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 151,672 | 151,672 | 150,196 | 1,476 |
| <i>Total expenditures</i> | 151,672 | 151,672 | 150,196 | 1,476 |
| <i>Excess (deficiency) of revenues over expenditures</i> | (1,672) | (1,672) | (1,148) | 524 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | 11,615 | 11,615 | 0 | (11,615) |
| <i>Total other financing sources (uses)</i> | 11,615 | 11,615 | 0 | (11,615) |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | \$9,943 | \$9,943 | (\$1,148) | (\$11,091) |

Budgetary - GAAP Reporting Reconciliation:

| | |
|---|------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | (\$1,148) |
| Adjustments for revenue accruals | (1,578) |
| Adjustments for expenditures accruals | 0 |
| Net changes in fund balance | (\$2,726) |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
INDIGENT HOSPITAL CLAIMS
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|------------------|--|
| REVENUES | | | | |
| Intergovernmental revenue | \$675,000 | \$675,000 | \$707,546 | \$32,546 |
| Health care county support | 208,000 | 208,000 | 1,111 | (206,889) |
| Interest income | 800 | 800 | 2,560 | 1,760 |
| <i>Total revenues</i> | <u>883,800</u> | <u>883,800</u> | <u>711,217</u> | <u>(172,583)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 882,000 | 882,000 | 254,021 | 627,979 |
| <i>Total expenditures</i> | <u>882,000</u> | <u>882,000</u> | <u>254,021</u> | <u>627,979</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>\$1,800</u> | <u>\$1,800</u> | <u>\$457,196</u> | <u>\$455,396</u> |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|-------------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$457,196 |
| Adjustments for revenue accruals | (405) |
| Adjustments for expenditures accruals | 0 |
| Net changes in fund balance | <u><u>\$456,791</u></u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
KLCB ALUMINUM RECYCLING
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|------------------|--|
| REVENUES | | | | |
| Federal grants | \$0 | \$0 | \$0 | \$0 |
| State grants | 22,000 | 22,000 | 20,785 | (1,215) |
| Other income | 2,300 | 2,500 | 609 | (1,891) |
| <i>Total revenues</i> | <u>24,300</u> | <u>24,500</u> | <u>21,394</u> | <u>(3,106)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 41,600 | 45,190 | 41,321 | 3,869 |
| <i>Total expenditures</i> | <u>41,600</u> | <u>45,190</u> | <u>41,321</u> | <u>3,869</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | (17,300) | (20,690) | (19,927) | 763 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | 17,200 | 17,200 | 17,200 | 0 |
| <i>Total other financing sources (uses)</i> | <u>17,200</u> | <u>17,200</u> | <u>17,200</u> | <u>0</u> |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | (100) | (3,490) | <u>(\$2,727)</u> | <u>\$763</u> |
| Budgeted cash carryover | 100 | 1,428 | | |
| | <u>\$0</u> | <u>(\$2,062)</u> | | |
| Budgetary - GAAP Reporting Reconciliation: | | | | |
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | | | (\$2,727) | |
| Adjustments for revenue accruals | | | 270 | |
| Adjustments for expenditures accruals | | | 3,388 | |
| Net changes in fund balance | | | <u>\$931</u> | |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
LAW ENFORCEMENT PROTECTION
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|------------------|--|
| REVENUES | | | | |
| State shared taxes | \$33,970 | \$33,970 | \$37,262 | \$3,292 |
| Interest income | 0 | 0 | 263 | 263 |
| Federal grants | 1,993,346 | 1,993,346 | 1,434,190 | (559,156) |
| State grants/state sources | 310,324 | 310,324 | 285,267 | (25,057) |
| Other income | 33,000 | 33,000 | 47,980 | 14,980 |
| <i>Total revenues</i> | <u>2,370,640</u> | <u>2,370,640</u> | <u>1,804,962</u> | <u>(565,678)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 1,768,741 | 2,412,398 | 1,574,484 | 837,914 |
| Capital outlay | 33,970 | 58,970 | 37,347 | 21,623 |
| <i>Total expenditures</i> | <u>1,802,711</u> | <u>2,471,368</u> | <u>1,611,831</u> | <u>859,537</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | 567,929 | (100,728) | <u>\$193,131</u> | <u>\$293,859</u> |
| <i>Budgeted cash carryover</i> | <u>0</u> | <u>0</u> | | |
| | <u>\$567,929</u> | <u>(\$100,728)</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|--------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$193,131 |
| Adjustments for revenue accruals | (407,374) |
| Adjustments for expenditures accruals | (130,224) |
| <u>Net changes in fund balance</u> | <u>(\$344,467)</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
MIMBRES VALLEY LEARNING CENTER
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|------------------|--|
| REVENUES | | | | |
| State shared taxes | \$170,000 | \$170,000 | \$176,887 | \$6,887 |
| State grants | 0 | 0 | 0 | 0 |
| Charges for services | 74,900 | 74,900 | 140,839 | 65,939 |
| <i>Total revenues</i> | <u>244,900</u> | <u>244,900</u> | <u>317,726</u> | <u>72,826</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation | 240,650 | 240,650 | 211,824 | 28,826 |
| <i>Total expenditures</i> | <u>240,650</u> | <u>240,650</u> | <u>211,824</u> | <u>28,826</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>\$4,250</u> | <u>\$4,250</u> | <u>\$105,902</u> | <u>\$101,652</u> |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|-------------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$105,902 |
| Adjustments for revenue accruals | 5,565 |
| Adjustments for expenditures accruals | 2,060 |
| Net changes in fund balance | <u><u>\$113,527</u></u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
RECREATION
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|--------|--|
| REVENUES | | | | |
| Intergovernmental revenue | \$0 | \$0 | \$0 | \$0 |
| <i>Total revenues</i> | 0 | 0 | 0 | 0 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation | 0 | 0 | 0 | 0 |
| <i>Total expenditures</i> | 0 | 0 | 0 | 0 |
| <i>Excess (deficiency) of revenues over expenditures</i> | \$0 | \$0 | \$0 | \$0 |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$0 |
| Adjustments for revenue accruals | 0 |
| Adjustments for expenditures accruals | 0 |
| Net changes in fund balance | \$0 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
REAPPRAISAL PROGRAM
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|-----------|--|
| REVENUES | | | | |
| Charges for services | \$101,000 | \$101,000 | \$125,502 | \$24,502 |
| Other | 0 | 0 | 150 | 150 |
| <i>Total revenues</i> | 101,000 | 101,000 | 125,652 | 24,652 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 57,797 | 57,862 | 49,539 | 8,323 |
| Capital outlay | 0 | 0 | 0 | 0 |
| <i>Total expenditures</i> | 57,797 | 57,862 | 49,539 | 8,323 |
| <i>Excess (deficiency) of revenues over expenditures</i> | 43,203 | 43,138 | 76,113 | 32,975 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | 0 | (3,362) | (3,362) | 0 |
| <i>Total other financing sources (uses)</i> | 0 | (3,362) | (3,362) | 0 |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | \$43,203 | \$39,776 | \$72,751 | \$32,975 |

Budgetary - GAAP Reporting Reconciliation:

| | |
|---|-----------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$72,751 |
| Adjustments for revenue accruals | 1,683 |
| Adjustments for expenditures accruals | (145) |
| Net changes in fund balance | \$74,289 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
RECORDING FEES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|-----------------|--|
| REVENUES | | | | |
| Charges for services | \$27,000 | \$27,000 | \$32,502 | \$5,502 |
| <i>Total revenues</i> | <u>27,000</u> | <u>27,000</u> | <u>32,502</u> | <u>5,502</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 6,800 | 6,800 | 2,840 | 3,960 |
| Capital outlay | 35,000 | 35,000 | 12,686 | 22,314 |
| <i>Total expenditures</i> | <u>41,800</u> | <u>41,800</u> | <u>15,526</u> | <u>26,274</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | (14,800) | (14,800) | <u>\$16,976</u> | <u>\$31,776</u> |
| <i>Budgeted cash carryover</i> | <u>14,800</u> | <u>14,800</u> | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|-----------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$16,976 |
| Adjustments for revenue accruals | 0 |
| Adjustments for expenditures accruals | 0 |
| <u>Net changes in fund balance</u> | <u>\$16,976</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
SOLID WASTE GRANT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|--------|--|
| REVENUES | | | | |
| State shared taxes | \$0 | \$0 | \$0 | \$0 |
| <i>Total revenues</i> | 0 | 0 | 0 | 0 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 0 | 0 | 0 | 0 |
| <i>Total expenditures</i> | 0 | 0 | 0 | 0 |
| <i>Excess (deficiency) of revenues over expenditures</i> | \$0 | \$0 | \$0 | \$0 |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$0 |
| Adjustments for revenue accruals | 0 |
| Adjustments for expenditures accruals | 0 |
| Net changes in fund balance | \$0 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
TREASURER'S MOBILE HOME SALES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|-----------------|--|
| REVENUES | | | | |
| Other income | \$46,600 | \$46,600 | \$51,324 | \$4,724 |
| <i>Total revenues</i> | 46,600 | 46,600 | 51,324 | 4,724 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 46,000 | 46,000 | 24,683 | 21,317 |
| Capital outlay | 25,000 | 25,000 | 0 | 25,000 |
| <i>Total expenditures</i> | 71,000 | 71,000 | 24,683 | 46,317 |
| <i>Excess (deficiency) of revenues over expenditures</i> | (24,400) | (24,400) | <u>\$26,641</u> | <u>\$51,041</u> |
| <i>Budgeted cash carryover</i> | 24,400 | 24,400 | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|-----------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$26,641 |
| Adjustments for revenue accruals | 0 |
| Adjustments for expenditures accruals | 13 |
| <u>Net changes in fund balance</u> | <u>\$26,654</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
VOLUNTEER FIRE DEPARTMENTS
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|-----------|--|
| REVENUES | | | | |
| Federal grants | \$0 | \$0 | \$0 | \$0 |
| Interest income | 0 | 0 | 0 | 0 |
| State grants/state sources | 192,101 | 192,101 | 192,101 | 0 |
| Other income | 0 | 0 | 2,845 | 2,845 |
| <i>Total revenues</i> | 192,101 | 192,101 | 194,946 | 2,845 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 250,631 | 250,631 | 66,326 | 184,305 |
| Capital outlay | 307,773 | 307,773 | 21,793 | 285,980 |
| <i>Total expenditures</i> | 558,404 | 558,404 | 88,119 | 470,285 |
| <i>Excess (deficiency) of revenues over expenditures</i> | (366,303) | (366,303) | \$106,827 | \$473,130 |
| <i>Budgeted cash carryover</i> | 366,303 | 366,303 | | |
| | \$0 | \$0 | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$106,827 |
| Adjustments for revenue accruals | 0 |
| Adjustments for expenditures accruals | 4,345 |
| Net changes in fund balance | \$111,172 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
CAPITAL PROJECT FUNDS
JUNE 30, 2015

Capital Project Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

County Maintenance Fund – To account for the federal and state grants funds and expenditures by the County for various maintenance projects established by the County which is authorized by NMSA 1978 26-104 6.

Local Infrastructure Capital Improvements Fund – To account for funds set aside by the County Commission to make capital improvements to local infrastructure.

COUNTY OF LUNA
NONMAJOR CAPITAL PROJECT FUND
BALANCE SHEET
JUNE 30, 2015

| | Local Infrastructure Capital Improvements Fund |
|--|--|
| ASSETS | |
| Cash and cash equivalents | \$586,728 |
| Investments | 0 |
| Accounts receivable | 10,032 |
| <hr/> | |
| <i>Total assets</i> | \$596,760 |
| <hr/> <hr/> | |
| LIABILITIES AND FUND BALANCE | |
| Liabilities: | |
| Accounts payable | \$0 |
| <i>Total liabilities</i> | 0 |
| <hr/> | |
| Fund Balance: | |
| Committed | 596,760 |
| <i>Total fund balance</i> | 596,760 |
| <hr/> | |
| <i>Total liabilities and fund balance</i> | \$596,760 |
| <hr/> <hr/> | |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Local Infrastructure Capital Improvements Fund |
|--|--|
| REVENUES | |
| Charges for services | \$65,660 |
| State shared taxes | 37,262 |
| <i>Total revenues</i> | 102,922 |
| EXPENDITURES | |
| Current: | |
| Capital outlay | 1,131,127 |
| <i>Total expenditures</i> | 1,131,127 |
| <i>Excess (deficiency) of revenues over expenditures</i> | (1,028,205) |
| Other Financing Sources (Uses): | |
| Transfers in | 250,000 |
| Transfers out | 0 |
| Capital transfers in (out) | 0 |
| <i>Total other financing sources (uses)</i> | 250,000 |
| <i>Net changes in fund balances</i> | (778,205) |
| Fund balance - beginning of year | 1,374,965 |
| Fund balance - end of year | \$596,760 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
COUNTY MAINTENANCE
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) |
|---|--------------------------------|-----------------------------|--------------------|----------------------------|
| REVENUES | | | | |
| Intergovernmental revenue | \$0 | \$0 | \$0 | \$0 |
| Interest income | 0 | 0 | 60,382 | 60,382 |
| Federal grants | 83,887 | 176,254 | 89,537 | (86,717) |
| State grants | 1,790,452 | 1,925,452 | 842,173 | (1,083,279) |
| Other | 0 | 0 | 510 | 510 |
| <i>Total revenues</i> | <u>1,874,339</u> | <u>2,101,706</u> | <u>992,602</u> | <u>(1,109,104)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 0 | 0 | 0 | 0 |
| Public works | 0 | 0 | 0 | 0 |
| Health and welfare | 0 | 0 | 0 | 0 |
| Culture and recreation | 0 | 0 | 0 | 0 |
| Capital outlay | 1,889,162 | 2,125,889 | 1,117,193 | 1,008,696 |
| <i>Total expenditures</i> | <u>1,889,162</u> | <u>2,125,889</u> | <u>1,117,193</u> | <u>1,008,696</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | (14,823) | (24,183) | (124,591) | (100,408) |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 1,149 | 1,149 | 1,149 | 0 |
| Operating transfers (out) | (14,625) | (14,625) | (14,625) | 0 |
| <i>Total other financing sources (uses)</i> | <u>(13,476)</u> | <u>(13,476)</u> | <u>(13,476)</u> | <u>0</u> |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | (28,299) | (37,659) | <u>(\$138,067)</u> | <u>\$0</u> |
| Budgeted cash carryover | 28,299 | 37,659 | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | (\$138,067) |
| Adjustments for revenue accruals | 240,355 |
| Adjustments for expenditures accruals | 88,669 |
| Net changes in fund balance | \$190,957 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
LOCAL INFRASTRUCTURE CAPITAL IMPROVEMENTS
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|--------------------|--|
| REVENUES | | | | |
| Charges for services - Starmax | \$33,970 | \$33,970 | \$105,042 | \$71,072 |
| <i>Total revenues</i> | <u>33,970</u> | <u>33,970</u> | <u>105,042</u> | <u>71,072</u> |
| EXPENDITURES | | | | |
| Capital outlay | 1,142,911 | 1,257,911 | 1,131,127 | 126,784 |
| <i>Total expenditures</i> | <u>1,142,911</u> | <u>1,257,911</u> | <u>1,131,127</u> | <u>126,784</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | (1,108,941) | (1,223,941) | (1,026,085) | 197,856 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | 250,000 | 250,000 | 250,000 | 0 |
| <i>Total other financing sources (uses)</i> | <u>250,000</u> | <u>250,000</u> | <u>250,000</u> | <u>0</u> |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | (858,941) | (973,941) | <u>(\$776,085)</u> | <u>\$197,856</u> |
| Budgeted cash carryover | 858,941 | 973,941 | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|---|---------------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | (\$776,085) |
| Adjustments for revenue accruals | (2,120) |
| Adjustments for expenditures accruals | 0 |
| Net changes in fund balance | <u>(\$778,205)</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
DEBT SERVICE FUNDS
JUNE 30, 2015

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

GRT Revenue Bond Series 2015A – To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs specifically for the building of an addition to the Luna County Detention Center. The fund's source of revenue is bond proceeds and subsequently gross receipts tax revenue for the payment of bond principal and interest. The authority to create this fund is by County ordinance.

Entertainment Complex Bond – To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs specifically for the building of the entertainment complex. The fund's source of revenue is bond proceeds. The authority to create this fund is by County ordinance.

Judicial Bond – To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs specifically for the building of the Sixth Judicial District Court. The fund's source of revenue is bond proceeds. The authority to create this fund is by County ordinance.

COUNTY OF LUNA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2015

| | Judicial Bond | LCDC Series 2015 Bond | Totals |
|--|------------------|-----------------------------|--------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$646,004 | \$960,045 | \$1,606,049 |
| Investment | 0 | 0 | 0 |
| Receivables: | | | |
| Due from other governments | 58,890 | 0 | 58,890 |
| Grants | 0 | 0 | 0 |
| Accounts receivable | 0 | 0 | 0 |
| Due from other funds | 0 | 0 | 0 |
| Interfund receivable | 0 | 0 | 0 |
| Restricted cash and cash equivalents | 0 | 0 | 0 |
| <i>Total assets</i> | \$704,894 | \$960,045 | \$1,664,939 |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts payable | \$0 | \$0 | \$0 |
| Accrued salaries | 0 | 0 | 0 |
| Bank overdraft | 0 | 0 | 0 |
| Interest payable | 75,474 | 0 | 75,474 |
| Due to other funds | 0 | 0 | 0 |
| Deferred revenue | 0 | 0 | 0 |
| <i>Total liabilities</i> | 75,474 | 0 | 75,474 |
| Fund Balance: | | | |
| Nonspendable | 0 | 0 | 0 |
| Restricted | 629,420 | 960,045 | 1,589,465 |
| Committed | 0 | 0 | 0 |
| Assigned | 0 | 0 | 0 |
| Unassigned | 0 | 0 | 0 |
| <i>Total fund balance</i> | 629,420 | 960,045 | 1,589,465 |
| <i>Total liabilities and fund balance</i> | \$704,894 | \$960,045 | \$1,664,939 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

NONMAJOR DEBT SERVICE FUNDS

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Judicial Bond | LCDC Series 2015 Bond | Totals |
|--|-------------------------|-----------------------------|---------------------------|
| REVENUES | | | |
| State shared taxes | \$353,570 | \$0 | \$353,570 |
| Intergovernmental | 0 | 0 | 0 |
| Charges for services | 0 | 0 | 0 |
| Interest income | 0 | 0 | 0 |
| Federal operating grants | 0 | 0 | 0 |
| State operating grants | 0 | 0 | 0 |
| Other income | 0 | 0 | 0 |
| <i>Total revenues</i> | <u>353,570</u> | <u>0</u> | <u>353,570</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 0 | 0 | 0 |
| Public safety | 0 | 0 | 0 |
| Health and welfare | 0 | 0 | 0 |
| Capital outlay | 0 | 0 | 0 |
| Debt service: | | | |
| Principal | 135,000 | 0 | 135,000 |
| Interest expense | 150,948 | 39,955 | 190,903 |
| <i>Total expenditures</i> | <u>285,948</u> | <u>39,955</u> | <u>325,903</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>67,622</u> | <u>(39,955)</u> | <u>27,667</u> |
| Other Financing Sources (Uses): | | | |
| Bond proceeds | 0 | 1,000,000 | 1,000,000 |
| Transfers in | 0 | 0 | 0 |
| Transfers out | 0 | 0 | 0 |
| <i>Total other financing sources (uses)</i> | <u>0</u> | <u>1,000,000</u> | <u>1,000,000</u> |
| <i>Net changes in fund balance</i> | 67,622 | 960,045 | 1,027,667 |
| Fund balance - beginning of year | 561,798 | 0 | 561,798 |
| <i>Fund balance - end of year</i> | <u>\$629,420</u> | <u>\$960,045</u> | <u>\$1,589,465</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
ENTERTAINMENT COMPLEX BOND
DEBT SERVICE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|-------------|--|
| REVENUES | | | | |
| State shared taxes | \$685,000 | \$685,000 | \$707,938 | \$22,938 |
| <i>Total revenues</i> | 685,000 | 685,000 | 707,938 | 22,938 |
| EXPENDITURES | | | | |
| Principal and interest | 540,045 | 540,045 | 1,191,307 | (651,262) |
| <i>Total expenditures</i> | 540,045 | 540,045 | 1,191,307 | (651,262) |
| <i>Excess (deficiency) of revenues over expenditures</i> | 144,955 | 144,955 | (483,369) | (628,324) |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | (420,000) | (420,000) | (420,000) | 0 |
| <i>Total other financing sources (uses)</i> | (420,000) | (420,000) | (420,000) | 0 |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | (275,045) | (275,045) | (\$903,369) | (\$628,324) |
| Budgeted cash carryover | 275,045 | 275,045 | | |
| | \$0 | \$0 | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|---|--------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | (\$903,367) |
| Adjustments for revenue accruals | (407) |
| Bond proceeds - directly to escrow/trust | 6,185,000 |
| Adjustments for expenditures accruals | (6,081,401) |
| Net changes in fund balance | (\$800,175) |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
JUDICIAL BOND
DEBT SERVICE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|--|--------------------------------|-----------------------------|-----------|--|
| REVENUES | | | | |
| State shared taxes | \$340,000 | \$340,000 | \$353,773 | \$13,773 |
| <i>Total revenues</i> | 340,000 | 340,000 | 353,773 | 13,773 |
| EXPENDITURES | | | | |
| Principal and interest | 288,522 | 288,522 | 288,445 | 77 |
| <i>Total expenditures</i> | 288,522 | 288,522 | 288,445 | 77 |
| <i>Excess (deficiency) of revenues over expenditures</i> | \$51,478 | \$51,478 | \$65,328 | \$13,850 |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|-----------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$65,328 |
| Adjustments for revenue accruals | (203) |
| Adjustments for expenditures accruals | 2,497 |
| Net changes in fund balance | \$67,622 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
LCDC SERIES 2015 BOND
DEBT SERVICE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|-----------|--|
| REVENUES | | | | |
| State shared taxes | \$0 | \$0 | \$0 | \$0 |
| <i>Total revenues</i> | 0 | 0 | 0 | 0 |
| EXPENDITURES | | | | |
| Bond costs | 0 | 0 | 39,955 | (39,955) |
| <i>Total expenditures</i> | 0 | 0 | 39,955 | (39,955) |
| <i>Excess (deficiency) of revenues over expenditures</i> | 0 | 0 | (39,955) | (39,955) |
| Other Financing Sources (Uses): | | | | |
| Bond proceeds | 0 | 0 | 1,000,000 | 1,000,000 |
| <i>Total other financing sources (uses)</i> | 0 | 0 | 1,000,000 | 1,000,000 |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | \$0 | \$0 | \$960,045 | \$960,045 |

Budgetary - GAAP Reporting Reconciliation:

| | |
|---|------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$960,045 |
| Adjustments for revenue accruals | 0 |
| Adjustments for expenditures accruals | 0 |
| Net changes in fund balance | \$960,045 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES
COMBINING BALANCE SHEET
JUNE 30, 2015

| | Special Revenue | Capital Projects | Debt Service | Total |
|---|--------------------|---------------------|--------------------|--------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$3,398,138 | \$586,728 | \$1,606,049 | \$5,590,915 |
| Investments | 0 | 0 | 0 | 0 |
| Receivables: | | | | |
| Due from other governments | 262,563 | 0 | 58,890 | 321,453 |
| Grants | 580,676 | 0 | 0 | 580,676 |
| Accounts receivable | 49,999 | 10,032 | 0 | 60,031 |
| Property tax receivable | 110,891 | 0 | 0 | 110,891 |
| Due from other funds | 66,780 | 0 | 0 | 66,780 |
| Interfund receivable | 0 | 0 | 0 | 0 |
| Restricted cash and cash equivalents | 0 | 0 | 0 | 0 |
| Total assets | \$4,469,047 | \$596,760 | \$1,664,939 | \$6,730,746 |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | \$145,318 | \$0 | \$0 | \$145,318 |
| Accrued salaries | 40,257 | 0 | 0 | 40,257 |
| Accrued compensated absences - ST | 0 | 0 | 0 | 0 |
| Bank overdraft | 0 | 0 | 0 | 0 |
| Interest payable | 0 | 0 | 75,474 | 75,474 |
| Due to other funds | 15,097 | 0 | 0 | 15,097 |
| Total liabilities | 200,672 | 0 | 75,474 | 276,146 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property taxes | 108,127 | 0 | 0 | 108,127 |
| Fund Balance: | | | | |
| Restricted | 3,112,643 | 0 | 1,589,465 | 4,702,108 |
| Committed | 0 | 596,760 | 0 | 596,760 |
| Assigned | 1,047,605 | 0 | 0 | 1,047,605 |
| Unassigned | 0 | 0 | 0 | 0 |
| Total fund balance | 4,160,248 | 596,760 | 1,589,465 | 6,346,473 |
| Total liabilities and fund balance | \$4,469,047 | \$596,760 | \$1,664,939 | \$6,730,746 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Special Revenue | Capital Projects | Debt Service | Total |
|--|---------------------------|-------------------------|---------------------------|---------------------------|
| REVENUES | | | | |
| Property tax | \$178,986 | \$0 | \$0 | \$178,986 |
| State shared taxes | 685,067 | 37,262 | 353,570 | 1,075,899 |
| Intergovernmental | 755,121 | 0 | 0 | 755,121 |
| Charges for services | 208,876 | 65,660 | 0 | 274,536 |
| Interest income | 5,906 | 0 | 0 | 5,906 |
| Federal grants | 1,208,054 | 0 | 0 | 1,208,054 |
| State grants | 1,904,370 | 0 | 0 | 1,904,370 |
| Sale of County property | 0 | 0 | 0 | 0 |
| Other income | 129,394 | 0 | 0 | 129,394 |
| <i>Total revenues</i> | <u>5,075,774</u> | <u>102,922</u> | <u>353,570</u> | <u>5,532,266</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 173,421 | 0 | 0 | 173,421 |
| Public works | 0 | 0 | 0 | 0 |
| Public safety | 2,271,994 | 0 | 0 | 2,271,994 |
| Health and welfare | 1,776,456 | 0 | 0 | 1,776,456 |
| Culture and recreation | 209,764 | 0 | 0 | 209,764 |
| Capital outlay | 71,368 | 1,131,127 | 0 | 1,202,495 |
| Debt service: | | | | |
| Principal | 0 | 0 | 135,000 | 135,000 |
| Interest expense | 0 | 0 | 190,903 | 190,903 |
| <i>Total expenditures</i> | <u>4,503,003</u> | <u>1,131,127</u> | <u>325,903</u> | <u>5,960,033</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>572,771</u> | <u>(1,028,205)</u> | <u>27,667</u> | <u>(427,767)</u> |
| Other Financing Sources (Uses): | | | | |
| Bond proceeds | 0 | 0 | 1,000,000 | 1,000,000 |
| Transfers in | 102,070 | 250,000 | 0 | 352,070 |
| Transfers out | (54,284) | 0 | 0 | (54,284) |
| Capital transfers in (out) | 0 | 0 | 0 | 0 |
| <i>Total other financing sources (uses)</i> | <u>47,786</u> | <u>250,000</u> | <u>1,000,000</u> | <u>1,297,786</u> |
| <i>Net changes in fund balances</i> | <u>620,557</u> | <u>(778,205)</u> | <u>1,027,667</u> | <u>870,019</u> |
| Fund balance - beginning of year, as previously stated | 3,631,696 | 1,374,965 | 561,798 | 5,568,459 |
| Restatements | (92,005) | 0 | 0 | (92,005) |
| <i>Fund balance - beginning of year, as restated</i> | <u>3,539,691</u> | <u>1,374,965</u> | <u>561,798</u> | <u>5,476,454</u> |
| Fund balance - end of year | <u>\$4,160,248</u> | <u>\$596,760</u> | <u>\$1,589,465</u> | <u>\$6,346,473</u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
ENTERPRISE FUNDS
JUNE 30, 2015

NONMAJOR PROPRIETARY FUND TYPES

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Columbus Stockyard – To account for the receipts generated at the border from Mexico for the crossing of cattle and livestock.

Commissary Fund – To account for the sale of miscellaneous sundry items to inmates housed at the detention facility.

Detention Center – To account for the operations and maintenance of the Detention Facility for the County.

Entertainment Complex – To account for the receipts for the capital improvements to the entertainment complex and the operations of the entertainment complex through a limited liability company.

COUNTY OF LUNA
NONMAJOR PROPRIETARY FUNDS
STATEMENTS OF FUND NET POSITION
JUNE 30, 2015

| | Columbus Stockyard | Commissary | Totals |
|--|-----------------------|-----------------|-----------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$0 | \$75,307 | \$75,307 |
| Accounts receivable | 0 | 5,051 | 5,051 |
| Due from other governments | 0 | 0 | 0 |
| Due from external sources | 0 | 0 | 0 |
| <i>Total current assets</i> | 0 | 80,358 | 80,358 |
| Non-Current Assets | | | |
| Capital assets | 0 | 0 | 0 |
| Accumulated depreciation | 0 | 0 | 0 |
| <i>Total non-current assets</i> | 0 | 0 | 0 |
| Total assets | \$0 | \$80,358 | \$80,358 |
| LIABILITIES AND FUND NET POSITION | | | |
| Current Liabilities: | | | |
| Accounts payable | \$0 | \$0 | \$0 |
| Accrued salaries | 0 | 0 | 0 |
| Due to other funds | 347,934 | 0 | 347,934 |
| Long-term accrued compensated absences | 0 | 0 | 0 |
| <i>Total liabilities</i> | 347,934 | 0 | 347,934 |
| Fund Net Position: | | | |
| Net investment in capital assets | 0 | 0 | 0 |
| Unrestricted | (347,934) | 80,358 | (267,576) |
| <i>Total fund net position</i> | (347,934) | 80,358 | (267,576) |
| Total liabilities and fund net position | \$0 | \$80,358 | \$80,358 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR PROPRIETARY FUNDS
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Columbus Stockyard | Commissary | Totals |
|--|---------------------------|------------------------|---------------------------|
| OPERATING REVENUES | | | |
| Cattle crossing revenue | \$0 | \$0 | \$0 |
| Starmax revenues | 0 | 0 | 0 |
| Correction fees | 0 | 0 | 0 |
| Adult prisoner fees | 0 | 0 | 0 |
| Juvenile prisoner fees | 0 | 0 | 0 |
| Miscellaneous revenue | 0 | 61,470 | 61,470 |
| <i>Total operating revenues</i> | 0 | 61,470 | 61,470 |
| OPERATING EXPENDITURES | | | |
| Personnel expenses | 0 | 0 | 0 |
| Depreciation | 0 | 0 | 0 |
| Other operating costs | 0 | 34,685 | 34,685 |
| <i>Total operating expenditures</i> | 0 | 34,685 | 34,685 |
| <i>Operating income (loss)</i> | 0 | 26,785 | 26,785 |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Interest revenue | 0 | 0 | 0 |
| <i>Net income (loss) before transfers</i> | 0 | 26,785 | 26,785 |
| Other Financing Sources (Uses) | | | |
| Operating transfers in (out) | (240,079) | 511 | (239,568) |
| <i>Change in net position</i> | (240,079) | 27,296 | (212,783) |
| Total fund net position, beginning of year, as previously stated | (105,239) | 53,062 | (52,177) |
| Restatements | (2,616) | 0 | (2,616) |
| Total fund net position, beginning of year, as restated | (107,855) | 53,062 | (54,793) |
| <i>Total fund net position, end of year</i> | <i>(\$347,934)</i> | <i>\$80,358</i> | <i>(\$267,576)</i> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR PROPRIETARY FUND TYPES
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Columbus Stockyard | Commissary | Totals |
|---|-----------------------|-----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash received from customers | \$0 | \$60,355 | \$60,355 |
| Cash payments to suppliers for goods and services | 0 | (35,510) | (35,510) |
| Cash payments to employees for services | 0 | 0 | 0 |
| <i>Net cash provided (used) by operating activities</i> | 0 | 24,845 | 24,845 |
| CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Temporary loan - other funds | 0 | 0 | 0 |
| Cash received (paid) from intergovernmental sources | 0 | 0 | 0 |
| Net transfers in (out) | (240,079) | 511 | (239,568) |
| <i>Net cash provided (used) by non-capital and related financing activities</i> | (240,079) | 511 | (239,568) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Acquisition of capital assets | 0 | 0 | 0 |
| <i>Net cash provided (used) by capital and related financing activities</i> | 0 | 0 | 0 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Interest income | 0 | 0 | 0 |
| <i>Net cash provided (used) by investing activities</i> | 0 | 0 | 0 |
| <i>Net increase (decrease) in cash</i> | (240,079) | 25,356 | (214,723) |
| Cash and cash equivalents, beginning of year | 240,079 | 49,951 | 290,030 |
| <i>Cash and cash equivalents, end of year</i> | \$0 | \$75,307 | \$75,307 |
| Reconciliation of operating income to net cash provided (used) by operating activities | | | |
| Operating income (loss) | \$0 | \$26,785 | \$26,785 |
| Depreciation | 0 | 0 | 0 |
| Receivables | 0 | (1,115) | (1,115) |
| Accrued expenses and wages payable | 0 | 0 | 0 |
| Accounts payable | 0 | (825) | (825) |
| <i>Net cash provided (used) by operating activities</i> | \$0 | \$24,845 | \$24,845 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
COLUMBUS STOCKYARDS
ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) |
|---|--------------------------------|-----------------------------|------------------|----------------------------|
| REVENUES | | | | |
| Charges for services | \$0 | \$0 | \$0 | \$0 |
| <i>Total revenues</i> | 0 | 0 | 0 | 0 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Personnel expenditures | 0 | 0 | 0 | 0 |
| Operating expenditures | 0 | 0 | 0 | 0 |
| <i>Total expenditures</i> | 0 | 0 | 0 | 0 |
| <i>Excess (deficiency) of revenues over expenditures</i> | 0 | 0 | 0 | 0 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | (240,079) | (240,079) | (240,079) | 0 |
| <i>Total other financing sources (uses)</i> | (240,079) | (240,079) | (240,079) | 0 |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | (240,079) | (240,079) | <u>(240,079)</u> | <u>\$0</u> |
| Budgeted cash carryover | 240,079 | 240,079 | | |
| | \$0 | \$0 | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|---|---------------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | (\$240,079) |
| Adjustments for revenue accruals | 0 |
| Adjustments for expenditures accruals | 0 |
| Change in fund net position | <u><u>(\$240,079)</u></u> |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

COMMISSARY

ENTERPRISE FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) |
|---|--------------------------------|-----------------------------|----------|----------------------------|
| REVENUES | | | | |
| Other income | \$2,000 | \$2,000 | \$18,835 | \$16,835 |
| <i>Total revenues</i> | 2,000 | 2,000 | 18,835 | 16,835 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Operating expenditures | 3,000 | 3,000 | 1,638 | 1,362 |
| <i>Total expenditures</i> | 3,000 | 3,000 | 1,638 | 1,362 |
| <i>Excess (deficiency) of revenues over expenditures</i> | (1,000) | (1,000) | 17,197 | 18,197 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | 511 | 511 | 511 | 0 |
| <i>Total other financing sources (uses)</i> | 511 | 511 | 511 | 0 |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | (489) | (489) | \$17,708 | \$18,197 |
| Budgeted cash carryover | 489 | 489 | | |
| | \$0 | \$0 | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|-----------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$17,708 |
| Adjustments for revenue accruals | 42,635 |
| Adjustments for expenditures accruals | (33,047) |
| Change in fund net position | \$27,296 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

DETENTION CENTER

ENTERPRISE FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|------------------|--|
| REVENUES | | | | |
| State shared taxes | \$680,000 | \$680,000 | \$707,546 | \$27,546 |
| Charges for services | 4,743,817 | 5,000,955 | 5,480,727 | 479,772 |
| Interest income | 0 | 0 | 4,534 | 4,534 |
| Other income | 0 | 0 | 1,269 | 1,269 |
| <i>Total revenues</i> | <u>5,423,817</u> | <u>5,680,955</u> | <u>6,194,076</u> | <u>513,121</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Personnel expenditures | 3,795,362 | 3,805,420 | 3,650,163 | 155,257 |
| Operating expenditures | 1,669,483 | 2,031,223 | 1,806,480 | 224,743 |
| Capital outlay | 15,000 | 45,000 | 0 | 45,000 |
| <i>Total expenditures</i> | <u>5,479,845</u> | <u>5,881,643</u> | <u>5,456,643</u> | <u>425,000</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | (56,028) | (200,688) | 737,433 | 938,121 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | (251,660) | (251,660) | (251,660) | 0 |
| <i>Total other financing sources (uses)</i> | <u>(251,660)</u> | <u>(251,660)</u> | <u>(251,660)</u> | <u>0</u> |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | (307,688) | (452,348) | <u>\$485,773</u> | <u>\$938,121</u> |
| Budgeted cash carryover | 307,688 | 377,229 | | |
| | <u>\$0</u> | <u>(\$75,119)</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$485,773 |
| Adjustments for revenue accruals | 121,480 |
| Adjustments for expenditures accruals | 392,265 |
| Change in fund net position | \$999,518 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
 ENTERTAINMENT COMPLEX OPERATIONS (including LLC)
 ENTERPRISE FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Original Approved Budget | Final Approved Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------------------|-----------------------------|------------------|--|
| REVENUES | | | | |
| Charges for services | \$0 | \$837,800 | \$1,714,286 | \$876,486 |
| Other income | 0 | 0 | 261 | 261 |
| <i>Total revenues</i> | 0 | 837,800 | 1,714,547 | 876,747 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Purchases for resale | 0 | 414,000 | 747,932 | (333,932) |
| Personnel expenditures | 0 | 366,550 | 419,728 | (53,178) |
| Operating expenditures | 0 | 784,527 | 438,450 | 346,077 |
| Capital outlay | 0 | 0 | 0 | 0 |
| <i>Total expenditures</i> | 0 | 1,565,077 | 1,606,110 | (41,033) |
| <i>Excess (deficiency) of revenues over expenditures</i> | 0 | (727,277) | 108,437 | 835,714 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in (out) | 0 | 660,079 | 660,079 | 0 |
| <i>Total other financing sources (uses)</i> | 0 | 660,079 | 660,079 | 0 |
| <i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i> | 0 | (67,198) | <u>\$768,516</u> | <u>\$835,714</u> |
| Budgeted cash carryover | 0 | 67,198 | | |
| | <u>\$0</u> | <u>\$0</u> | | |

Budgetary - GAAP Reporting Reconciliation:

| | |
|--|------------------|
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | \$768,516 |
| Adjustments for revenue accruals | (16,634) |
| Adjustments for expenditures accruals | (297,132) |
| Change in fund net position | <u>\$454,750</u> |

The Notes to Financial Statements are an integral part of these statements.

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF LUNA

AGENCY FUNDS

JUNE 30, 2015

FIDUCIARY FUND TYPES

Agency Funds

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

Inmate Accounts – The County holds and distributes funds in a custodial capacity for inmates housed at the County Detention Center.

COUNTY OF LUNA
ALL AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Balance June 30, 2014 | Increase | Decrease | Balance June 30, 2015 |
|------------------------------------|--------------------------|---------------------|---------------------|--------------------------|
| TAXES COLLECTED FOR OTHERS | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$140,302 | \$6,691,278 | \$6,629,732 | \$201,848 |
| Property taxes receivable | 3,424,477 | 3,593,669 | 3,424,477 | 3,593,669 |
| Total assets | \$3,564,779 | \$10,284,947 | \$10,054,209 | \$3,795,517 |
| LIABILITIES | | | | |
| Due to other governmental agencies | \$3,496,602 | \$10,262,660 | \$10,046,456 | \$3,712,806 |
| Prepaid taxes | 2,138 | 838 | 849 | 2,127 |
| Overpayment of taxes | 1,152 | 12,789 | 6,892 | 7,049 |
| Taxes paid in advance | 34,867 | 8,660 | 0 | 43,527 |
| Due to taxpayers | 30,020 | 0 | 12 | 30,008 |
| Total liabilities | \$3,564,779 | \$10,284,947 | \$10,054,209 | \$3,795,517 |
| INMATE ACCOUNTS | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$73,850 | \$560,803 | \$558,765 | \$75,888 |
| Due from inmates | 22,419 | 10,070 | 0 | 32,489 |
| Total assets | \$96,269 | \$570,873 | \$558,765 | \$108,377 |
| LIABILITIES | | | | |
| Due to inmates | \$11,332 | \$557,856 | \$558,765 | \$10,423 |
| Due to Luna County | 22,033 | 3,000 | 0 | 25,033 |
| Due to others | 62,904 | 10,017 | 0 | 72,921 |
| Total liabilities | \$96,269 | \$570,873 | \$558,765 | \$108,377 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
ALL AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Balance June 30, 2014 | Increase | Decrease | Balance June 30, 2015 |
|-------------------------------------|--------------------------|---------------------|---------------------|--------------------------|
| TOTAL ASSETS AND LIABILITIES | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$214,152 | \$7,252,081 | \$7,188,497 | \$277,736 |
| Property taxes receivable | 3,424,477 | 3,593,669 | 3,424,477 | 3,593,669 |
| Due from inmates | 22,419 | 10,070 | 0 | 32,489 |
| Total assets | \$3,661,048 | \$10,855,820 | \$10,612,974 | \$3,903,894 |
| LIABILITIES | | | | |
| Due to other governmental agency | \$3,496,602 | \$10,262,660 | \$10,046,456 | \$3,712,806 |
| Prepaid taxes | 2,138 | 838 | 849 | 2,127 |
| Overpayment of taxes | 1,152 | 12,789 | 6,892 | 7,049 |
| Taxes paid in advance | 34,867 | 8,660 | 0 | 43,527 |
| Due to taxpayers | 30,020 | 0 | 12 | 30,008 |
| Due to inmates | 11,332 | 557,856 | 558,765 | 10,423 |
| Due to Luna County | 22,033 | 3,000 | 0 | 25,033 |
| Due to others | 62,904 | 10,017 | 0 | 72,921 |
| Total liabilities | \$3,661,048 | \$10,855,820 | \$10,612,974 | \$3,903,894 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY OF PUBLIC FUNDS

JUNE 30, 2015

| | | First New Mexico Bank | | Wells Fargo Bank |
|------------------------------------|--------|-----------------------------|----------------------|-------------------------------------|
| Total amount of deposits | | \$12,428,257 | | \$552,121 |
| Less FDIC coverage | | (250,000) | | (250,000) |
| Total uninsured public funds | | 12,178,257 | | 302,121 |
| Collateral requirement 50% | | 6,089,128 | | 151,061 |
| | | | | |
| Type of Security | | | | |
| <u>Security Number</u> | | <u>CUSIP Number</u> | <u>Maturity Date</u> | |
| Fannie Mae Fed Home Ln. Mtg. Pool | 3.500% | 3138AWH63 | 12/1/2041 | 6,260 |
| Fannie Mae Fed Home Ln. Mtg. Pool | 4.000% | 3138EG3M4 | 9/1/2041 | 274,842 |
| Fannie Mae Fed Home Ln. Mtg. Pool | 3.500% | 3138EHB50 | 11/1/2041 | 6,666 |
| Fannie Mae Fed Home Ln. Mtg. Pool | 3.000% | 3138WMHE4 | 2/1/2043 | 865 |
| Fannie Mae Fed Home Ln. Mtg. Pool | 3.500% | 3138WWBH1 | 8/1/2043 | 30,015 |
| Fannie Mae Fed Home Ln. Mtg. Pool | 4.500% | 31416QV36 | 8/1/2039 | 585 |
| Fannie Mae Fed Home Ln. Mtg. Pool | 3.000% | 31417ETA9 | 1/1/2043 | 13,766 |
| FHLB | | 31338OGJO | 9/9/2022 | 1,941,720 |
| Alamogordo, NM | | 01145OCR2 | 8/1/2021 | 440,000 |
| <i>Total pledged securities</i> | | | | 2,381,720 332,999 |
| | | | | |
| <i>Over (under) pledged</i> | | | | \$3,707,408 (\$181,938) |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
JUNE 30, 2015

| Financial Institution: Account Name | Type of Account | Bank Balance | (Checks) Deposits | Book Balance |
|--|--------------------|---------------------|----------------------|---------------------|
| CASH | | | | |
| <u>First New Mexico Bank</u> | | | | |
| Treasurer | Demand | \$913,149 | (\$681,282) | \$231,867 |
| General | Demand | 11,421,231 | 0 | 11,421,231 |
| Starmax Account | Demand | 4,000 | 0 | 4,000 |
| CDBG Grant | Demand | 100 | 0 | 100 |
| Detention Center Accounts: | | | | |
| Inmate Account | Demand | 71,726 | (11,306) | 60,420 |
| Inmate Account | Demand | 1,222 | (526) | 696 |
| Inmate Account | Demand | 394 | 0 | 394 |
| Inmate Account | Demand | 13,376 | 0 | 13,376 |
| Flex Account | Demand | 3,059 | 0 | 3,059 |
| <u>Wells Fargo Bank</u> | | | | |
| Treasurer | Demand | 552,121 | 0 | 552,121 |
| <u>Western Heritage Bank</u> | | | | |
| Starmax #352 | Demand | 4,403 | 0 | 4,403 |
| <i>Total bank and book balance</i> | | 12,984,781 | (693,114) | 12,291,667 |
| Cash held by Trustee: | | | | |
| State Treasurer - D/S NMFA | Demand | 35,905 | 0 | 35,905 |
| State Treasurer - Reserve NMFA | Demand | 87,923 | 0 | 87,923 |
| <i>Total held with trustee</i> | | 123,828 | 0 | 123,828 |
| INVESTMENTS | | | | |
| Wells Fargo Securities, Inc. | | | | |
| Money Market Funds | Investment | 60,282 | 0 | 60,282 |
| Bonds | Investment | 5,428,403 | 0 | 5,428,403 |
| Money Market Funds | Investment | 97,339 | 0 | 97,339 |
| Bonds | Investment | 4,896,109 | 0 | 4,896,109 |
| <i>Total investments</i> | | 10,482,133 | 0 | 10,482,133 |
| Petty cash on hand | | 0 | 0 | 4,443 |
| <i>Total cash and investments</i> | | \$23,590,742 | (\$693,114) | \$22,902,071 |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

SCHEDULE OF TAX ROLL RECONCILIATION - PROPERTY TAXES RECEIVABLE

JUNE 30, 2015

| | |
|---|--------------------|
| Property taxes receivable, beginning of year | \$7,780,308 |
| <hr/> | |
| Changes to tax roll: | |
| Net taxes charged to Treasurer for fiscal year | 15,071,169 |
| Adjustments: | |
| Decrease in property tax receivable | (1,344,342) |
| <i>Total taxes charged to Treasurer for fiscal year</i> | <i>13,726,827</i> |
| <hr/> | |
| Total receivables before collections | 21,507,135 |
| Collections for fiscal year June 30, 2015 | (13,241,818) |
| <hr/> | |
| Property taxes receivable, end of year | \$8,265,317 |
| <hr/> <hr/> | |
| Property taxes receivable by years: | |
| 2005-2013 | \$5,574,613 |
| 2014 | 2,690,704 |
| <hr/> | |
| Total taxes receivable | \$8,265,317 |
| <hr/> <hr/> | |

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
JUNE 30, 2015

| Agency | Property Taxes Levied | Collected in Current Year | Collected To-Date | Distributed in Current Year | Distributed To-Date | Undistributed at Year-End | County Receivable at Year-End |
|-----------------------------------|-----------------------------|---------------------------------|----------------------|-----------------------------------|------------------------|------------------------------|-------------------------------------|
| LUNA COUNTY | | | | | | | |
| General Advalorem | | | | | | | |
| 2005-2013 | \$43,838,659 | \$371,382 | \$41,338,812 | \$371,382 | \$41,338,812 | \$0 | \$2,499,847 |
| 2014 | 5,982,429 | 5,510,055 | 5,510,055 | 5,510,055 | 5,510,055 | 0 | 472,374 |
| Total General Advalorem | 49,821,088 | 5,881,437 | 46,848,867 | 5,881,437 | 46,848,867 | 0 | 2,972,221 |
| Non-Rendition Fees | | | | | | | |
| 2005-2013 | 227,295 | 4,996 | 205,259 | 4,996 | 205,259 | 0 | 22,036 |
| 2014 | 51,317 | 32,218 | 32,218 | 32,218 | 32,218 | 0 | 19,099 |
| Total Non-Rendition Fees | 278,612 | 37,214 | 237,477 | 37,214 | 237,477 | 0 | 41,135 |
| Road Levy | | | | | | | |
| 2005-2013 | 6,144,015 | 56,034 | 4,832,585 | 56,034 | 4,832,585 | 0 | 1,311,430 |
| 2014 | 861,899 | 584,793 | 584,793 | 584,793 | 584,793 | 0 | 277,106 |
| Total Road Levy | 7,005,914 | 640,827 | 5,417,378 | 640,827 | 5,417,378 | 0 | 1,588,536 |
| Predator Control | | | | | | | |
| 2005-2013 | 99,451 | 944 | 99,093 | 944 | 99,093 | 0 | 358 |
| 2014 | 12,882 | 12,683 | 12,683 | 12,683 | 12,683 | 0 | 199 |
| Total Predator Control | 112,333 | 13,627 | 111,776 | 13,627 | 111,776 | 0 | 557 |
| Re-Appraisal Program | | | | | | | |
| 2005-2013 | 938,773 | 8,060 | 901,286 | 8,060 | 901,286 | 0 | 37,487 |
| 2014 | 149,154 | 117,442 | 117,442 | 117,442 | 117,442 | 0 | 31,712 |
| Total Re-Appraisal Program | 1,087,927 | 125,502 | 1,018,728 | 125,502 | 1,018,728 | 0 | 69,199 |
| Total Luna County | \$58,305,874 | \$6,698,607 | \$53,634,226 | \$6,698,607 | \$53,634,226 | \$0 | \$4,671,648 |
| OTHER TAX | | | | | | | |
| Livestock | | | | | | | |
| 2005-2013 | \$370,025 | \$2,681 | \$350,947 | \$2,387 | \$350,653 | \$294 | \$19,078 |
| 2014 | 53,410 | 52,278 | 52,278 | 52,000 | 52,000 | 278 | 1,132 |
| Total Livestock | 423,435 | 54,959 | 403,225 | 54,387 | 402,653 | 572 | 20,210 |
| State Levy | | | | | | | |
| 2005-2013 | 5,420,226 | 48,506 | 5,129,617 | 45,017 | 5,126,128 | 3,489 | 290,609 |
| 2014 | 754,491 | 693,661 | 693,661 | 684,794 | 684,794 | 8,867 | 60,830 |
| Total State Levy | 6,174,717 | 742,167 | 5,823,278 | 729,811 | 5,810,922 | 12,356 | 351,439 |
| Total Other Taxes | \$6,598,152 | \$797,126 | \$6,226,503 | \$784,198 | \$6,213,575 | \$12,928 | \$371,649 |

COUNTY OF LUNA
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
JUNE 30, 2015

| Agency | Property Taxes Levied | Collected in Current Year | Collected To-Date | Distributed in Current Year | Distributed To-Date | Undistributed at Year-End | County Receivable at Year-End |
|------------------------------------|-----------------------------|---------------------------------|----------------------|-----------------------------------|------------------------|------------------------------|-------------------------------------|
| SCHOOL DISTRICTS | | | | | | | |
| Deming Public Schools | | | | | | | |
| 2005-2013 | \$32,170,381 | \$294,965 | \$31,037,025 | \$273,944 | \$31,016,004 | \$21,021 | \$1,133,356 |
| 2014 | 5,949,054 | 4,213,650 | 4,213,650 | 4,159,720 | 4,159,720 | 53,930 | 1,735,404 |
| Total Deming Public Schools | 38,119,435 | 4,508,615 | 35,250,675 | 4,433,664 | 35,175,724 | 74,951 | 2,868,760 |
| Total School Districts | \$38,119,435 | \$4,508,615 | \$35,250,675 | \$4,433,664 | \$35,175,724 | \$74,951 | \$2,868,760 |
| MUNICIPALITIES | | | | | | | |
| Municipalities | | | | | | | |
| 2005-2013 | \$5,599,923 | \$80,301 | \$5,339,512 | \$73,259 | \$5,332,470 | \$7,042 | \$260,411 |
| 2014 | 1,246,306 | 1,153,495 | 1,153,495 | 1,138,096 | 1,138,096 | 15,399 | 92,811 |
| Total Municipalities | 6,846,229 | 1,233,796 | 6,493,007 | 1,211,355 | 6,470,566 | 22,441 | 353,222 |
| Caballo SWCD | | | | | | | |
| 2005-2013 | 7,322 | 51 | 7,321 | 51 | 7,321 | 0 | 1 |
| 2014 | 3,661 | 3,624 | 3,624 | 3,593 | 3,593 | 31 | 37 |
| Total Caballo SWCD | 10,983 | 3,675 | 10,945 | 3,644 | 10,914 | 31 | 38 |
| Total Municipalities | \$6,857,212 | \$1,237,471 | \$6,503,952 | \$1,214,999 | \$6,481,480 | \$22,472 | \$353,260 |
| GRAND TOTALS | \$109,880,673 | \$13,241,819 | \$101,615,356 | \$13,131,468 | \$101,505,005 | \$110,351 | \$8,265,317 |
| Governmental Activities | | | | | | | \$4,671,648 |
| Agency Funds | | | | | | | 3,593,669 |
| | | | | | | | \$8,265,317 |

COUNTY OF LUNA

SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by Agency Staff Name: _____ Joanne C. Hethcox

Title: _____ Budget and Procurement Director _____ Date: _____ 9/16/2015 _____

| RFB#/RFP# / State-Wide Price Agreement # | Type of Procurement | Awarded Vendor | \$ Amount of Awarded Contract | \$ Amount of Amended Contract | Name and Physical Address of <u>ALL</u> Vendor(s) that responded | In-State/Out-of- State Vendor (Y or N) (Based on Statutory Definition) | Was the vendor in- state and chose Veteran's preference (Y or N) | Brief Description of the Scope of Work |
|--|------------------------|----------------|-------------------------------------|-------------------------------------|---|---|---|---|
| NA | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

COUNTY OF LUNA
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Participants | Responsible Party for Operations | Descriptions | Beginning and Ending dates | Total Estimated Amount of Project | Contribution 6/30/2015 | Audit Responsibility | Revenues and Expenditures Reported on: |
|---------------------|-------------------------------------|-------------------------|-------------------------------|--|---------------------------|-------------------------|---|
| Village of Columbus | Luna County | Multi Service Agreement | July 1, 2014 June 30, 2015 | N/A | \$90,000 | Luna County | REV: Luna County EXP: City of Deming |
| City of Deming | Luna County | Multi Service Agreement | July 1, 2013 June 30, 2014 | N/A | \$993,500 | Luna County | REV: Luna County EXP: Village of Columbus |

ADDITIONAL FEDERAL INFORMATION

COUNTY OF LUNA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Federal Grantor/Program Title | Federal | Project | Award | Accrued or | | Receipts | Expenditures | Accrued or |
|--|---------|--------------------|-----------|---------------|-------------|-------------|--------------|---------------|
| | CFDA | | | Revenue at | Prior | | | (Deferred) |
| | Number | | | June 30, 2014 | Period | | | Revenue at |
| | or | | | | Restatement | | | (Deferred) |
| Agency | Agency | Number | Amount | June 30, 2014 | Restatement | Receipts | Expenditures | Revenue at |
| Prefix | Prefix | Number | Amount | June 30, 2014 | Restatement | Receipts | Expenditures | June 30, 2015 |
| <u>U.S. Department of Housing and Urban Development</u> | | | | | | | | |
| Passed through New Mexico | | | | | | | | |
| Mortgage Finance Authority | | | | | | | | |
| Emergency Homeless Assistance | 14.231 | 14-02-HLH-EHA-001 | \$23,387 | \$0 | \$0 | (\$17,704) | \$18,454 | \$750 |
| Emergency Homeless Assistance | 14.231 | 13-02-HLH-EHA-001 | 15,284 | 3,567 | 0 | (3,567) | 0 | 0 |
| <i>Total U.S. Department of Housing and Urban Development</i> | | | \$38,671 | \$3,567 | \$0 | (\$21,271) | \$18,454 | \$750 |
| <u>U.S. Department of Health and Human Services</u> | | | | | | | | |
| Passed through Optum Health - NM | | | | | | | | |
| Healthy Start Initiative | 93.926 | 4 H67MC00011-10-03 | \$178,125 | \$60,539 | (\$60,539) | \$0 | \$0 | \$0 |
| PFS II Strategy Prevention | 93.243 | FY14 | 128,806 | 8,578 | (2,838) | (47,231) | 41,491 | 0 |
| PFS II Strategy Prevention | 93.243 | FY15 | 128,806 | 0 | 0 | (49,103) | 61,631 | 12,528 |
| BHSD SAPT Block Grant | 93.959 | FY15 | 21,300 | 0 | 0 | 0 | 10,083 | 10,083 |
| <i>Total U.S. Department of Health and Human Services</i> | | | \$457,037 | \$69,117 | (\$63,377) | (\$96,334) | \$113,205 | \$22,611 |
| <u>U.S. Department of Justice</u> | | | | | | | | |
| VOCA - CASA | 16.575 | 2014-VA-215 | \$51,313 | \$7,872 | \$0 | (\$7,872) | \$0 | \$0 |
| VOCA - CASA | 16.575 | 2015-VA-317 | 30,788 | 0 | 0 | (14,421) | 20,149 | 5,728 |
| VOCA | 16.575 | 2014-VA-216 | 39,295 | 7,002 | 0 | (7,002) | 0 | 0 |
| VOCA | 16.575 | 2015-VA-318 | 23,576 | 0 | 0 | (10,632) | 14,682 | 4,050 |
| VAWA Liason | 16.588 | 2012-WF-AX-0023 | 35,000 | 3,118 | 0 | (3,118) | 0 | 0 |
| VAWA | 16.588 | 2013-WF-AX-0039 | 35,000 | 0 | 0 | (17,085) | 23,072 | 5,987 |
| Enhanced Border | | | | | | | | |
| Hiring Program Grant - COPS | 16.710 | 2012 UNMWX0139 | 250,000 | 15,867 | 0 | (61,361) | 61,815 | 16,321 |
| <i>Total U.S. Department of Justice</i> | | | \$464,972 | \$33,859 | \$0 | (\$121,491) | \$119,718 | \$32,086 |

COUNTY OF LUNA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Federal Grantor/Program Title | Federal | Project | Award | Accrued or | | Receipts | Expenditures | Accrued or |
|--|---------|--------------------------------|-------------|---------------|-------------|---------------|--------------|---------------|
| | CFDA | | | (Deferred) | Prior | | | (Deferred) |
| | Number | | Amount | Revenue at | Period | | | Revenue at |
| | or | | | June 30, 2014 | Restatement | | | June 30, 2015 |
| | Agency | Number | | | | | | |
| | Prefix | | | | | | | |
| <u>U.S. Department of Homeland Security</u> | | | | | | | | |
| Passed through Department of Homeland Security and Emergency Management | | | | | | | | |
| <u>FEMA</u> | | | | | | | | |
| Emergency Food and Shelter Program | 97.024 | 31-6080-00009 | \$6,000 | \$2,500 | \$0 | (\$2,500) | \$0 | \$0 |
| State Homeland Security Grant Program | 97.039 | PDMC-PL-06-NM-2012-004 | 35,625 | 18,318 | 0 | (34,839) | 16,521 | 0 |
| State Homeland Security Grant Program | 97.067 | EMV-2011-SS-00094-S01-luna | 85,411 | 12,814 | 0 | (12,814) | 0 | 0 |
| State Homeland Security Grant Program | 97.067 | EMW-2013-SS-00152-S01 | 15,000 | 9,978 | 0 | (14,917) | 4,939 | 0 |
| State Homeland Security Grant Program | 97.067 | EMW-2013-SS-00152-S01 Per Diem | 5,000 | 0 | 0 | (2,631) | 3,065 | 434 |
| State Homeland Security Grant Program | 97.067 | EMW-2014-SS-00030-S01 | 68,520 | 0 | 0 | (251) | 251 | 0 |
| State Homeland Security Grant Program | 97.067 | EMW-2012-SS-00097-S01 | 50,665 | 0 | 0 | 0 | 0 | 0 |
| State Homeland Security Grant Program | 97.067 | EMW-2011-SS-00094-S01 | 7,395 | 714 | 0 | (2,883) | 2,169 | 0 |
| Emergency Mgt. Performance Grant Program | 97.042 | EMW-2012-EP-00039-S01 | 15,097 | 7,621 | 0 | (7,621) | 0 | 0 |
| Emergency Mgt. Performance Grant Program | 97.042 | EMW-2014-EP-00047-S01 | 15,738 | 0 | 0 | (10,581) | 10,581 | 0 |
| Operation Stonegarden | 97.067 | 2011-SS-00094-S01 | 1,203,067 | 530,038 | 0 | (559,748) | 29,710 | 0 |
| Operation Stonegarden | 97.067 | 2012-SS-00097-S01-Luna | 950,000 | 165,139 | 0 | (347,364) | 182,225 | 0 |
| Operation Stonegarden | 97.067 | EMW-2013-SS-00152-S01 | 950,349 | 0 | 0 | (454,593) | 710,362 | 255,769 |
| DOT Hazardous Materials Emergency Prep | 20.703 | HM-HMP-0409-14-01 | 3,000 | 0 | 0 | (3,000) | 3,000 | 0 |
| <i>Total U.S. Department of Homeland Security</i> | | | \$3,410,867 | \$747,122 | \$0 | (\$1,453,742) | \$962,823 | \$256,203 |
| <u>U.S. Department of Transportation</u> | | | | | | | | |
| Passed through State of New Mexico | | | | | | | | |
| Department of Transportation | | | | | | | | |
| ODWI - DOT Alcohol Counter Measures | 20.608 | 14-AL-64-060 | \$16,870 | \$3,084 | \$0 | (\$6,866) | \$3,782 | \$0 |
| ODWI - DOT Alcohol Counter Measures | 20.608 | 15-AL-64-060 | 12,160 | 0 | 0 | (4,257) | 7,389 | 3,132 |
| <i>Total U.S. Department of Transportation</i> | | | \$29,030 | \$3,084 | \$0 | (\$11,123) | \$11,171 | \$3,132 |
| <u>General Services Administration</u> | | | | | | | | |
| Port of Entry - Columbus | 39.xxx | GS-07P-02-UFC-1038A | \$4,213,754 | \$27,677 | (\$27,677) | \$0 | \$0 | \$0 |
| <i>Total Expenditures of Federal Awards</i> | | | \$8,614,331 | \$884,426 | (\$91,054) | (\$1,703,961) | \$1,225,371 | \$314,782 |

N/A - Not Available

Basis of Presentation:

The above schedule of expenditures of federal awards includes the federal grant activity of County of Luna and is presented on the accrual basis of accounting.

This information in this schedule is presented in accordance with the requirements of OMB Circular A.133, "Audits of State, Local Governments, and Non-Profit Organizations."

Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

COUNTY OF LUNA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2015

NOTE 1. BASIS OF PRESENTATION

Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of the County of Luna (the "County"). The County is defined in Note 1. of the County's financial statements. All federal awards received, including those received through other agencies are included on the schedule.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1. of the County's financial statements.

**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***

Independent Auditor's Report

Mr. Tim Keller, State Auditor and
The Board of Commissioners
County of Luna
Deming, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of the County of Luna as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County of Luna's basic financial statements, and the combining and individual fund and related budgetary comparisons of the County of Luna, presented as supplemental information, and have issued our report thereon dated October 28, 2015.

Internal Control Over Financial Reporting

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

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

Mr. Tim Keller, State Auditor and
The Board of Commissioners
County of Luna
Deming, New Mexico
Page Two

Our consideration of internal control was for the limited purpose described in the first 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies. 2015-001, 2014-006, 2013-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Luna's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2015-002, 2015-003, 2009-001, 2008-002.

The County of Luna's Response to Findings

The County of Luna's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County of Luna's responses were 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Luna's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Kriegel/Gray/Shaw & Co., P.C.
Las Cruces, New Mexico
October 28, 2015

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

Mr. Tim Keller, State Auditor and
The Board of Commissioners
County of Luna
Deming, New Mexico

Report on Compliance for Each Major Federal Program

We have audited County of Luna'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 County of Luna's major federal programs for the year ended June 30, 2015. County of Luna's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of County of Luna'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 County of Luna'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 County of Luna's compliance.

Opinion on Each Major Federal Program

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

Mr. Tim Keller, State Auditor and
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County of Luna
Deming, New Mexico
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Report on Internal Control over Compliance

Management of County of Luna 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 County of Luna'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 County of Luna's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance 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.

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

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


Kriegel/Gray/Shaw & Co., P.C.
Las Cruces, New Mexico
October 28, 2015

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of Auditor’s Report issued:

Unmodified

Internal Control Over Financial Reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses?

X Yes _____ No

Noncompliance material to financial statements noted?

_____ Yes X 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?

_____ Yes X No

Type of Auditor’s Report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

_____ Yes X No

Identification of Major Programs:

CFDA Number(s)

97.067

Name of Federal Program or Cluster

Operation Stone Garden

Dollar threshold used to distinguish between Type A and Type B Programs:

\$300,000

Auditee qualified as low-risk auditee?

_____ Yes X No

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR SIGNIFICANT DEFICIENCIES:

2015-001 Lack of Proper Cash Reconciliation – Significant Deficiency

Statement of Condition – Although a cash reconciliation is being attempted, cash is not being reconciled to the general ledger. Credit card receipts are being posted as cash on the general ledger. Journal entries are not properly created for non cash transactions and are not being identified through the reconciliation process.

Criteria – Good internal controls require a monthly reconciliation between the bank statement and general ledger. Journal entry posting should also be reviewed to ensure the intended results are achieved on the general ledger. Credit cards should not be posted to cash until they show up on a settlement statement.

Cause – Lack of clarity by bank account due to batch reconciliation. Lack of accounting knowledge required for specialized journal entries between funds and for ACH transactions.

Effect – General ledger cash does not accurately reflect cash transactions.

Recommendation – A “credit card settlement” account should be created for credit card transactions pending settlement (for both Luna County and Starmax). All credit card transactions should be posted to this account and subsequently adjusted to cash when the transactions are settled. Cash should be reconciled directly to the general ledger. Every transaction for the month should be traced to the bank statement or be posted as an outstanding item. A separate reconciliation should be done for each bank account.

Management’s Response – The County Manager encourages Treasurer to work towards resolution of having separate reconciliations and implement recommendations by Auditor to alleviate future issues. Treasurer anticipates resolution by June 30, 2016.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR SIGNIFICANT DEFICIENCIES (CONTINUED):

2015-002 Internal Control over Gift Cards – Other Matters

Statement of Condition – Luna County provides gift cards and prizes as part of the Keep Luna County Beautiful (KLBC) grant to volunteers. Recipients of cards and prizes are not required to acknowledge receipt in writing.

Criteria – Good internal controls require that expenditure or distribution of public resources be clearly documented to establish accountability.

Cause – Lack of recognition that gift cards are a resource/asset that requires accountability.

Effect – Potential for theft of gift cards and prizes by unintended recipients.

Recommendation – Each recipient of a prize or gift card should acknowledge receipt in writing at the event when dispersed which should be maintained in grant record.

Management's Response – The County Manager will issue a policy requiring signature of recipient of gift cards and/or prizes by programs which are allowed to utilize such expenditures and anticipate compliance from March 31, 2016 forward.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR SIGNIFICANT DEFICIENCIES (CONTINUED):

2015-003 Pledged Collateral – Compliance

Statement of Condition – First New Mexico Bank accounts were under collateralized at June 30, 2015 by \$3,707,408, per state requirements, and by \$9,796,537 per County requirements.

Criteria – Per NMAC 2.60.4.3 “any financial institution designated as a depository of public money shall deliver securities having an aggregate value of at least one-half the amount of public money.” Per Luna County Resolution #15-05, the Luna County official depositories are required “to adjust their collateral securities to 100%” of public money.

Cause – Collateralization as well as account balances were not adequately monitored.

Effect – Non compliance with state requirements, as well as Luna County requirements.

Recommendation – Luna County should monitor collateral levels continuously to ensure requirements are being met.

Management’s Response – The County Manager will work with Commissioners and the Treasurer to establish oversight to ensure future compliance. Collateralization was corrected immediately upon notification by the Treasurer to the bank.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT STATUS ON PRIOR YEAR FINDINGS:

2014-001 Lack of Adherence to Controls over Disbursements – Significant Deficiency

Resolved and not repeated in the current year.

2014-002 Lack of Adherence to Controls over Travel & Per Diem – Significant Deficiency

Resolved and not repeated in the current year.

2014-003 No Policy for Reimbursement of Tuition – Significant Deficiency

Resolved and not repeated in the current year.

2014-004 Lack of Adherence to Controls over P-Card Purchases – Significant Deficiency

Resolved and not repeated in the current year.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):

2014-005 Incorrect Employee PERA Contributions – Significant Deficiency (Non Compliance)

Resolved and not repeated in the current year.

2014-006 Capital Assets – Significant Deficiency

Repeated with modification.

Statement of Condition – During test work, we noted the following deficiencies (in general are the same as prior year):

- Client depreciation schedule does not include prior year adjustments and contains assets that should not be on the schedule.
- Two out of 10 fully depreciated assets tested that are no longer in service and were still included on the depreciation schedule.
- Assets auctioned off in prior years remained on the depreciation schedule.

Criteria – Good internal controls require continuous maintenance of the depreciation schedule.

Cause – Lack of communication with Triadic to properly maintain depreciation schedule and lack of communication within the County to properly record all current year additions.

Effect – Potential for misstatement of Net Book Value of Capital Assets.

Recommendation – Properly review depreciation schedule and communicate with Triadic and County personnel to ensure depreciation schedule includes prior year adjustments as well as current year additions.

Management's Response – Accounts payable/fixed asset clerk will work with Triadic to resolve this issue and will pay closer attention to detail on additions and deletions and expect full resolution by June 30, 2016.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):

2014-007 Lack of Controls Over Starmax LLC ATM Cash Handling – Significant Deficiency

Resolved and not repeated in the current year.

2014-008 Entertainment Complex – Compliance

Resolved and not repeated in the current year.

2014-009 Late Independent Public Accountant Recommendation – Compliance

Resolved and not repeated in the current year.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):

2013-003 Inventory-Road Department – Significant Deficiency

Repeated with modifications.

Statement of Condition – During test work, we concluded that inventory was not properly maintained and accounted for and remains in essentially the same condition as the prior year. The following deficiencies were noted:

- Seven out of 15 haphazardly selected inventory items from the count list could not be traced to the shelf/shop.
- Five out of 15 haphazardly selected inventory items from the shelf/shop could not be traced to the inventory list. Three out of the seven inventory items were not included on the inventory list.
- Costs of inventory items on the inventory list have not been updated in several years.

Criteria – Controls and procedures over inventory, valuation of inventory, and the annual inventory count should be in place to ensure that all inventory items held by the entity are accounted for and safeguarded.

Cause – Lack of proper controls and procedures over inventory, inventory valuation, and annual inventory count.

Effect – Potential for misappropriation of County inventory items.

Recommendation – We recommend that the County develop procedures to ensure all inventory items are accounted for properly and an annual inventory count is performed timely.

Management's Response – The road department director is overseeing the new inventory system which is currently being implemented and should be resolved by June 30, 2016. Road Department Director will be required to take a physical inventory as close to June 30 as possible.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):

2012-002 No Central Control, Oversight and Reconciliation of Grant Activity – Significant Deficiency

Resolved and not repeated in the current year.

2011-003 Communication Between Departments Not Adequate – Significant Deficiency

Resolved and not repeated in the current year.

2009-001 Designated Cash Exceeded Available Balance – Compliance

Repeated with modification.

Statement of Condition – The County expenditure budgets exceeded the available projected revenues and cash carryover balances in the following funds:

| | |
|----------------------------|-------------|
| KLCB | (\$2,062) |
| Domestic Violence Shelter | (\$2,672) |
| Law Enforcement Protection | (\$100,728) |
| Detention Center | (\$75,119) |

This condition is essentially the same as in prior year.

Criteria – According to 2.2.2.10 NMCA if budgeted expenditures exceed budgeted revenues then that amount must not exceed the beginning of fiscal year cash.

Cause – Budget adjustments for increased expenditures did not include appropriate budget increase in revenue or transfers in.

Effect – Potential for funds to over expend their resources resulting in unapproved loans from general fund.

Recommendation – Budget for future years should be revised to insure all funds have adequate projected revenues and cash carryovers for appropriations. Greater attention should be given to the budget monitoring process.

Management's Response – Issue is resolved with July 1, 2015 budget. The requirement that Budget Adjustment Resolutions address both increases in revenue and expenditures have addressed this issue thereby resolving the inconsistencies.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):

2008-002 Legal Compliance with Budget – Compliance

Repeated with modification.

Statement of Condition – The County’s authorized budget was exceeded by actual expenditures. The County violated state statutes by exceeding the authorized budget within the following funds:

| Fund | Budget Amount | Actual Amount | Over Expended |
|----------------------------|---------------|---------------|---------------|
| Entertainment Complex Bond | \$540,045 | \$1,191,307 | \$651,262 |
| LCDC Series 2015 Bond | \$0 | \$39,955 | \$39,955 |
| Entertainment Complex | \$1,565,077 | \$1,606,110 | \$41,033 |

This condition has improved from prior year as related to the Entertainment Complex; although new debt issued during FY15 created additional issues.

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 payments in excess of the approved budget. County officials and governing authorities have the obligation to follow applicable state statutes.

Cause – Lack of communication upon issuance of bonds and refunding issues to allow the budget compliance director to prepare appropriate budget adjustments. Entertainment Complex LLC activity for first six months not budgeted.

Effect – Non compliance with the New Mexico State Statutes could jeopardize future funding opportunities.

Recommendation – We suggest that all financial transactions be reviewed by the budget office prior to finalization.

Management’s Response – The Manager will work with the Treasurer to ensure that accounts are properly recorded and make sure that all activities are budgeted to insure resolution by June 30, 2016.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**CURRENT YEAR FINDINGS AND QUESTIONED COSTS –
MAJOR FEDERAL AWARD PROGRAM AUDIT:**

None.

**PRIOR YEAR FINDINGS AND QUESTIONED COSTS –
MAJOR FEDERAL AWARD PROGRAM AUDIT:**

**2014-011 Lack of Compliance with FEMA / DHS Financial Reporting Requirements of Grant Activity –
Significant Deficiency**

CFDA # 97.044

U.S. Department of Homeland Security

Assistance to Fire Fighters EMW-2011-FR-00177

Assistance to Fire Fighters EMW-2012-FV-03081

Questioned Costs = None

Resolved and not repeated in the current year.

COUNTY OF LUNA
EXIT CONFERENCE
JUNE 30, 2015

EXIT CONFERENCE:

The exit conference was held October 15, 2015 and was attended by the following:

From County of Luna:

Charles "Tink" Jackson, County Manager
R. Javier Diaz, Member
Joanne Hethcox, Budget & Procurement Director
Dora Madrid, Treasurer
Gloria Rodriguez, Deputy Treasurer

From Kriegel/Gray/Shaw & Co., P.C.:

Debbie Gray, CPA/Shareholder
Rebecca Pott, Staff Auditor

FINANCIAL STATEMENTS PREPARATION

Preparation of financial statements is the responsibility of management. Although, the County of Luna's personnel provided significant assistance in the preparation, the statements and related footnotes were prepared by Kriegel/Gray/Shaw & Co., P.C.