



2452 Missouri Ave., P.O. Box 2707, Las Cruces, New Mexico 88004 • Phone: (575) 523-7444, Fax: (575) 527-0872

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# **STATE OF NEW MEXICO**

## **COUNTY OF LUNA**

### **FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2016**

**COUNTY OF LUNA**  
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**COUNTY OF LUNA**  
**OFFICIAL ROSTER**  
**JUNE 30, 2016**

**BOARD OF COUNTY COMMISSIONERS**

<b><u>Name</u></b>	<b><u>Title</u></b>
<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>

**ELECTED OFFICIALS**

<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>

**ADMINISTRATIVE OFFICIALS**

<i>Ira Pearson</i>	<i>County Manager</i>
<i>Martin Miller</i>	<i>County Road Superintendent</i>

## **INDEPENDENT AUDITORS' REPORT**

Mr. Tim Keller, State Auditor and  
The County Manager 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, 2016, 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, 2016, 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  
The County Manager and County Commissioners  
County of Luna  
Deming, New Mexico  
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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, 2016, 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, 2016, 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.

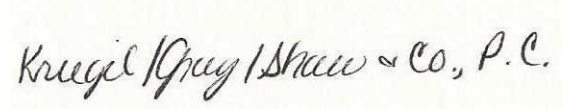
Mr. Tim Keller, State Auditor and  
The County Manager and County Commissioners  
County of Luna  
Deming, New Mexico  
Page Three

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.

The Schedule of Vendor Information on page 124 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2016 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.  
Las Cruces, New Mexico  
October 31, 2016



**COUNTY OF LUNA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2016**

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, 2016. 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 outflows of County of Luna exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$45,659,973 (*net position*). Of this amount, \$18,653,546 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Revenues for governmental activities increased by \$1,326,334 from the prior year.
- Expenditures for governmental activities increased \$982,114 from the prior year.
- As of June 30, 2016, the County's governmental funds reported combined ending fund balances of \$26,217,555.
- At the close of the current fiscal year, unassigned balance of the general fund was \$9,749,426.

**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, 2016**

**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, and the Commissary. The Columbus Import/Export Stockyards of the County were sold in a prior year.

**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, 2016**

**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 \$4,303,864 to total \$45,659,973 at the close of the current fiscal year.

A large portion of County of Luna's net position represents the County's investment of \$22,731,396 (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* \$18,653,546 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 \$4,303,864 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 gross receipts tax as a result of issuing two new GRT revenue bonds. Total Expenditures for Governmental Activities increased during the year and total revenues exceeded total expenditures by \$3,915,953. Property taxes and gross receipts taxes contributed \$13,405,509 to fund the \$11,516,113 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 gross receipts taxes increased 18% as compared to the prior year.

Investment earnings increased by more than 7% in the fiscal year ended June 30, 2016. The primary cause for this increase was an increase in invested funds.

**Business-Type Activities.** Business-type activities increased the County's net position by \$388,271. The key element of this increase was due to an increase in detention revenues. Business-type activities expenses decreased by \$90,031 due to cost containment measures in all funds.

**COUNTY OF LUNA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016

**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 \$26,217,555, an increase of \$4,108,999 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 \$21,422,329, in the fiscal year ended June 30, 2016, which represents an increase of \$1,925,842 from the fiscal year ended June 30, 2015, due to increases in taxes. Expenditures for governmental functions totaled \$17,331,330. This was a decrease of \$7,671,578 from the fiscal year ended June 30, 2015 resulting from a decline in construction and prior year escrowing of refunding debt. In the fiscal year ended June 30, 2016, revenues for governmental functions exceeded expenditures by \$4,090,999.

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 \$9,749,426. The fund balance of County of Luna's General Fund increased by \$2,462,290 during the current fiscal year. This increase is primarily due to an increase in tax revenues.

The Road Fund has a total fund balance of \$1,487,533. The net decrease in fund balance during the current year in the Road Fund was \$47,617. This decrease is due to an increase in road maintenance activity.

The County Maintenance Fund has a total fund balance of \$6,956,084. The net increase in fund balance during the current year in the County Maintenance Fund was \$404,268. This increase is due to an increase in capital grants.

**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 (\$411,042). The total increase in net position for the Proprietary Funds was \$1,173,641 although the fund is still carrying a net deficit in unrestricted net position. 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, 2016**

**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	\$4,951,426	\$4,987,158	\$35,732	Various expenditure needs.
Public Safety	3,686,291	3,690,641	(4,350)	Various expenditure needs.
Public Works	937,273	937,273	0	N/A
Capital Outlay	59,000	59,000	0	N/A
<b>Totals</b>	<b>\$9,633,990</b>	<b>\$9,674,072</b>	<b>\$31,382</b>	

**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, 2016 amount to \$33,074,322 (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 \$662,065 for governmental activities. The total decrease in business-type capital assets (excluding accumulated depreciation) for the current fiscal year was \$72,883.

**COUNTY OF LUNA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2016**

**Capital Assets Net of Depreciation**  
**June 30, 2016**

	Governmental Activities	Business-Type Activities	Totals
Land and Construction in Progress	\$6,230,988	\$719,714	\$6,950,702
Buildings and Improvements	13,561,160	11,018,860	24,580,020
Infrastructure	169,577	0	169,577
Leasehold Improvements	0	15,013	15,013
Equipment and Furnishings	1,217,261	141,749	1,359,010
<b><i>Capital Assets, Net of Accumulated Depreciation</i></b>	<b>\$21,178,986</b>	<b>\$11,895,336</b>	<b>\$33,074,322</b>

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 Activities in the amount of \$10,836,060. This investment includes the land, buildings, land and building improvements, equipment, construction in progress, and all applicable debt service. The total shows a net increase in capital assets of \$644,776 from the prior fiscal year.

The most significant construction project in progress at year end was the Luna County Detention addition funded with gross receipts tax revenue bonds.

The additions in business-type activities total \$25,213 of Equipment and Furnishings.

The County's debt decreased \$773,413 resulting from the principal payments. 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, 2016
Net Book Value of Capital Assets	\$21,178,986	\$11,895,336	\$33,074,322
Long-Term Debt:			
Judicial Complex Bond 2007A	3,399,532	0	3,399,532
Entertainment Center Bond 2015	5,735,000	0	5,735,000
GRT Improvement Bond 2015A	1,000,000	0	1,000,000
NMFA Loan	208,394	0	208,394
<b><i>Total net investment in capital assets</i></b>	<b>\$31,521,912</b>	<b>\$11,895,336</b>	<b>\$43,417,248</b>

**COUNTY OF LUNA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2016**

**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 and the Entertainment Complex added \$388,271 to the County's net position at the end of fiscal year 2016. Total Revenue generated by Governmental activities and Business-type activities in the County in 2016 was \$28,783,505 more than those activities generated in 2015. 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	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
<u>Program Revenues:</u>						
Charges for services	\$518,880	\$416,087	\$7,464,176	\$7,268,971	\$7,983,056	\$7,685,058
Operating grants and contributions	4,740,997	4,586,788	0	0	4,740,997	4,586,788
Capital grants and contributions	500,328	1,769,001	0	0	500,328	1,769,001
<u>General Revenue:</u>						
Property taxes	8,944,145	9,055,519	0	0	8,944,145	9,055,519
Gross receipts taxes	4,461,364	2,297,584	0	646,931	4,461,364	2,944,515
Gas and motor vehicle tax	1,279,337	1,043,563	0	0	1,279,337	1,043,563
Other income	728,860	679,035	145,418	159,037	874,278	838,072
<b>Total revenues</b>	<b>21,173,911</b>	<b>19,847,577</b>	<b>7,609,594</b>	<b>8,074,939</b>	<b>28,783,505</b>	<b>27,922,516</b>
<b>Expenses:</b>						
General Government	5,053,882	4,441,151	0	0	5,053,882	4,441,151
Public Safety	3,706,954	5,993,583	0	0	3,706,954	5,993,583
Public Works	5,046,300	3,014,142	0	0	5,046,300	3,014,142
Health and Welfare	2,596,562	1,901,738	0	0	2,596,562	1,901,738
Culture and Recreation	236,494	210,180	0	0	236,494	210,180
Interest on long-term debt	636,126	593,714	0	0	636,126	593,714
Bond issuance costs	0	139,696	0	0	0	139,696
Business-Type activities	0	0	7,203,323	7,293,354	7,203,323	7,293,354
<b>Total expenses</b>	<b>17,276,318</b>	<b>16,294,204</b>	<b>7,203,323</b>	<b>7,293,354</b>	<b>24,479,641</b>	<b>23,587,558</b>
Transfers – capital - other governments	0	(134,874)	0	0	0	(134,874)
Transfers – operating	18,000	(168,851)	(18,000)	168,851	0	0
<b>Change in net position</b>	<b>3,915,593</b>	<b>3,249,648</b>	<b>388,271</b>	<b>950,436</b>	<b>4,303,864</b>	<b>4,200,084</b>
Net position, beginning of year, as previously stated	30,608,021	27,358,373	10,748,088	9,797,652	41,356,109	37,156,025
Restatements	(347,934)	0	347,934	0	0	0
Net position, beginning of year, as restated	30,260,087	27,358,373	11,096,022	9,797,652	41,356,109	37,156,025
<b>Net position, end of year</b>	<b>\$34,175,680</b>	<b>\$30,608,021</b>	<b>\$11,484,293</b>	<b>\$10,748,088</b>	<b>\$45,659,973</b>	<b>\$41,356,109</b>

**COUNTY OF LUNA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2016**

**Condensed Summary of Net Position**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
<b>Assets:</b>						
Cash and cash equivalents	\$12,330,724	\$10,361,606	\$658,793	\$1,814,388	\$12,989,517	\$12,175,994
Investments	11,459,036	10,324,512	1,700,000	0	13,159,036	10,324,512
Receivables:						
Property taxes	4,459,572	4,671,648	0	0	4,459,572	4,671,648
Other	219,890	61,988	368,345	598,187	588,235	660,175
Gross receipts tax	461,447	1,044,902	0	0	461,447	1,044,902
State shared	294,429	88,136	0	0	294,429	88,136
Internal balances	11,447	359,381	(11,447)	(359,381)	0	0
Due from other governments	1,241,420	439,233	230,547	57,573	1,471,967	496,806
Inventory	220,459	143,623	17,779	17,779	238,238	161,402
Restricted cash	692,001	123,829	0	0	692,001	123,829
Due from external sources	0	0	26,198	25,033	26,198	25,033
Capital assets, net	21,178,986	21,326,899	11,895,336	12,332,771	33,074,322	33,659,670
<b>Deferred outflow of resources</b>	<b>1,098,456</b>	<b>1,802,561</b>	<b>242,503</b>	<b>397,162</b>	<b>1,340,959</b>	<b>2,199,723</b>
<b>Total assets and deferred outflows</b>	<b>\$53,667,867</b>	<b>\$50,748,318</b>	<b>\$15,128,054</b>	<b>\$14,883,512</b>	<b>\$68,795,921</b>	<b>\$65,631,830</b>
<b>Liabilities and Net Position:</b>						
Accounts payable	\$412,690	\$204,745	\$91,625	\$94,046	\$504,315	\$298,791
Accrued salaries	255,298	230,571	126,806	114,094	382,104	344,665
Interest payable	160,308	152,502	0	0	160,308	152,502
Non-Current Liabilities:						
Compensated Absences	0	0	0	0	0	0
Due within one year	0	3,824	0	34,936	0	38,760
Due after one year	589,526	566,426	221,086	199,824	810,612	766,250
Loans Payable:						
Due within one year	785,348	878,735	0	0	785,348	878,735
Due after one year	9,557,578	10,256,880	0	0	9,557,578	10,256,880
Net pension liability	7,692,327	5,570,773	3,123,948	2,621,540	10,816,275	8,192,313
<b>Total liabilities</b>	<b>19,453,075</b>	<b>17,864,456</b>	<b>3,563,465</b>	<b>3,064,440</b>	<b>23,016,540</b>	<b>20,928,896</b>
<b>Deferred inflow of resources</b>	<b>39,112</b>	<b>2,275,841</b>	<b>80,296</b>	<b>1,070,984</b>	<b>119,408</b>	<b>3,346,825</b>
<b>Net Position:</b>						
Net investment in capital assets	10,836,060	10,191,284	11,895,336	12,332,771	22,731,396	22,524,055
Restricted for:						
Inventory	220,459	143,623	17,779	17,779	238,238	161,402
Debt service	2,578,325	2,199,076	0	0	2,578,325	2,199,076
Other purposes	1,458,468	3,112,643	0	0	1,458,468	3,112,643
Unrestricted	19,082,368	14,961,395	(428,822)	(1,602,462)	18,653,546	13,358,933
<b>Total net position</b>	<b>34,175,680</b>	<b>30,608,021</b>	<b>11,484,293</b>	<b>10,748,088</b>	<b>45,659,973</b>	<b>41,356,109</b>
<b>Total liabilities, deferred inflows, and net position</b>	<b>\$53,667,867</b>	<b>\$50,748,318</b>	<b>\$15,128,054</b>	<b>\$14,883,512</b>	<b>\$68,795,921</b>	<b>\$65,631,830</b>

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.



**COUNTY OF LUNA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2016**

**Contingencies**

Bonds outstanding as June 30, 2016 consisted of Judicial Complex 2007A, Entertainment Complex 2016, NMFA Loan, and GRT Improvement Bond 2016A. 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 2016 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, 2016**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$12,330,724	\$658,793	\$12,989,517
Investments	11,459,036	1,700,000	13,159,036
Receivables:			
Property taxes	4,459,572	0	4,459,572
Gross receipts tax	294,429	0	294,429
Grant	461,447	0	461,447
Other	219,890	368,345	588,235
Internal balances	11,447	(11,447)	0
Due from other governments	1,241,420	230,547	1,471,967
Inventory	220,459	17,779	238,238
Restricted cash	692,001	0	692,001
Due from external sources	0	26,198	26,198
Capital Assets:			
Land and assets net of accumulated depreciation	21,178,986	11,895,336	33,074,322
<i>Total assets</i>	<i>52,569,411</i>	<i>14,885,551</i>	<i>67,454,962</i>
<b>Deferred Outflow of Resources</b>			
Refunded bond - interest escrowed	382,652	0	382,652
Pension contribution	508,781	242,503	751,284
Unamortized discount - refunded bond	207,023	0	207,023
<i>Total deferred outflow of resources</i>	<i>1,098,456</i>	<i>242,503</i>	<i>1,340,959</i>
<b>Total assets and deferred outflow of resources</b>	<b>\$53,667,867</b>	<b>\$15,128,054</b>	<b>\$68,795,921</b>
<b>LIABILITIES</b>			
Accounts payable	\$412,690	\$91,625	\$504,315
Accrued salaries	255,298	126,806	382,104
Interest payable	160,308	0	160,308
Noncurrent Liabilities:			
Compensated absences:			
Due within one year	0	0	0
Due after one year	589,526	221,086	810,612
Loans/Bonds payable:			
Due within one year	785,348	0	785,348
Due after one year	9,557,578	0	9,557,578
Net pension liability	7,692,327	3,123,948	10,816,275
<i>Total liabilities</i>	<i>19,453,075</i>	<i>3,563,465</i>	<i>23,016,540</i>
<b>Deferred Inflow of Resources</b>			
Pension actuarial and investment experience	39,112	80,296	119,408
<b>NET POSITION</b>			
Net investment in capital assets	10,836,060	11,895,336	22,731,396
Non expendable inventory	220,459	17,779	238,238
Restricted for:			
Debt service	2,578,325	0	2,578,325
Other purposes	1,458,468	0	1,458,468
Unrestricted	19,082,368	(428,822)	18,653,546
<i>Total net position</i>	<i>34,175,680</i>	<i>11,484,293</i>	<i>45,659,973</i>
<b>Total liabilities, deferred inflow of resources, and net position</b>	<b>\$53,667,867</b>	<b>\$15,128,054</b>	<b>\$68,795,921</b>

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, 2016**

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	
<b>Primary Government</b>							
<b>Governmental Activities:</b>							
General government	\$5,053,882	\$285,395	\$646,615	\$0	(\$4,121,872)	\$0	(\$4,121,872)
Public safety	3,706,954	0	1,104,193	0	(2,602,761)	0	(2,602,761)
Public works	5,046,300	67,657	652,430	491,848	(3,834,365)	0	(3,834,365)
Health and welfare	2,596,562	29,066	2,337,759	8,480	(221,257)	0	(221,257)
Culture and recreation	236,494	136,762	0	0	(99,732)	0	(99,732)
Interest on long-term debt	636,126	0	0	0	(636,126)	0	(636,126)
<i>Total governmental activities</i>	<i>17,276,318</i>	<i>518,880</i>	<i>4,740,997</i>	<i>500,328</i>	<i>(11,516,113)</i>	<i>0</i>	<i>(11,516,113)</i>
<b>Business-Type Activities:</b>							
Detention Facility	5,056,603	5,800,063	0	0	0	743,460	743,460
Entertainment Complex	2,128,737	1,618,253	0	0	0	(510,484)	(510,484)
Columbus Stockyard	0	0	0	0	0	0	0
Commissary	17,983	45,860	0	0	0	27,877	27,877
<i>Total business-type activities</i>	<i>7,203,323</i>	<i>7,464,176</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>260,853</i>	<i>260,853</i>
<b>Total primary government</b>	<b>\$24,479,641</b>	<b>\$7,983,056</b>	<b>\$4,740,997</b>	<b>\$500,328</b>	<b>(\$11,516,113)</b>	<b>\$260,853</b>	<b>(\$11,255,260)</b>

**General Revenues**

Property taxes	\$8,944,145	\$0	\$8,944,145
Gross receipts tax	4,461,364	0	4,461,364
Gas and motor vehicle tax	1,279,337	0	1,279,337
Interest earnings	340,177	0	340,177
Other income	388,683	145,418	534,101
Transfers in (out)	18,000	(18,000)	0
<i>Total general revenues</i>	<i>15,431,706</i>	<i>127,418</i>	<i>15,559,124</i>
Change in net position	3,915,593	388,271	4,303,864
Net position, beginning of year, as previously stated	30,608,021	10,748,088	41,356,109
Restatements	(347,934)	347,934	0
Net position, beginning of year, as restated	30,260,087	11,096,022	41,356,109
Net position, end of year	\$34,175,680	\$11,484,293	\$45,659,973

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

**COUNTY OF LUNA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEETS**  
**JUNE 30, 2016**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Road Fund	County Maintenance		
<b>ASSETS</b>					
Cash and cash equivalents	\$5,770,691	\$67,652	\$1,013,061	\$5,479,320	\$12,330,724
Investments	3,712,640	400,000	5,146,396	2,200,000	11,459,036
Receivables:					
Due from other governments	0	551,557	0	689,863	1,241,420
Property taxes	2,811,804	1,547,833	0	99,935	4,459,572
Gross receipts tax	164,493	129,936	0	0	294,429
Grants	0	0	0	461,447	461,447
Accounts receivable - other	189,858	0	20,000	10,032	219,890
Due from other funds	111,860	0	0	66,779	178,639
Inventory	0	220,459	0	0	220,459
Restricted cash and cash equivalents	0	124,940	567,061	0	692,001
<b>Total assets</b>	<b>\$12,761,346</b>	<b>\$3,042,377</b>	<b>\$6,746,518</b>	<b>\$9,007,376</b>	<b>\$31,557,617</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable	\$53,310	\$2,068	\$12,064	\$345,248	\$412,690
Accrued salaries	184,158	27,897	0	43,243	255,298
Accrued compensated absences	0	0	0	0	0
Interest payable	0	0	0	160,308	160,308
Due to other funds	51,682	0	0	115,510	167,192
<b>Total liabilities</b>	<b>289,150</b>	<b>29,965</b>	<b>12,064</b>	<b>664,309</b>	<b>995,488</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes	2,722,770	1,524,879	0	96,925	4,344,574
<b>Fund Balance:</b>					
Nonspendable	0	220,459	0	0	220,459
Restricted	0	0	0	4,036,793	4,036,793
Committed	0	0	0	3,683,992	3,683,992
Assigned	0	1,267,074	6,734,454	525,357	8,526,885
Unassigned	9,749,426	0	0	0	9,749,426
<b>Total fund balance</b>	<b>9,749,426</b>	<b>1,487,533</b>	<b>6,734,454</b>	<b>8,246,142</b>	<b>26,217,555</b>
<b>Total liabilities and fund balance</b>	<b>\$12,761,346</b>	<b>\$3,042,377</b>	<b>\$6,746,518</b>	<b>\$9,007,376</b>	<b>\$31,557,617</b>

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, 2016**

<b>FUND BALANCE of Governmental Funds</b>	<b>\$26,217,555</b>
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.	21,178,986
Certain assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	4,344,574
Some resources represent net assets that are applicable to future periods and are not recorded in the funds.	1,098,456
Pension actuarial and investment experience is related to long-term liabilities and therefore, is not recorded in the funds.	(39,112)
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	(18,624,779)
<b><i>Net position of governmental activities</i></b>	<b>\$34,175,680</b>

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, 2016**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Road Fund	County Maintenance		
<b>REVENUES</b>					
Taxes:					
Property/PILT	\$8,343,753	\$639,126	\$0	\$187,418	\$9,170,297
Gross receipts	1,352,249	0	0	3,109,115	4,461,364
Gasoline and motor vehicle	88,079	1,191,258	0	0	1,279,337
Intergovernmental:					
Federal sources operating	0	0	72,751	859,921	932,672
State sources operating	245,000	551,557	0	2,579,546	3,376,103
State sources capital	0	0	500,328	0	500,328
Other	432,222	0	0	0	432,222
Charges for services	130,120	1,544	0	268,596	400,260
Investment income/investment earnings	143,038	1,111	196,028	0	340,177
Rental income	118,620	0	0	0	118,620
Other income	229,555	1,616	26,506	153,272	410,949
<i>Total revenues</i>	11,082,636	2,386,212	795,613	7,157,868	21,422,329
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government	4,261,169	0	0	140,850	4,402,019
Public safety	3,535,611	0	0	0	3,535,611
Public works	773,039	2,224,040	0	1,808,391	4,805,470
Health and welfare	0	0	0	2,313,549	2,313,549
Culture and recreation	0	0	0	236,078	236,078
Debt Service:					
Principal	0	206,781	0	590,000	796,781
Interest expense	0	3,008	0	358,590	361,598
Capital outlay	25,925	0	328,232	526,067	880,224
<i>Total expenditures</i>	8,595,744	2,433,829	328,232	5,973,525	17,331,330
<i>Excess (deficiency) of revenues over expenditures</i>	2,486,892	(47,617)	467,381	1,184,343	4,090,999
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	52,598	0	0	114,400	166,998
Operating transfers (out)	(77,200)	0	(63,113)	(8,685)	(148,998)
<i>Total other financing sources (uses)</i>	(24,602)	0	(63,113)	105,715	18,000
<i>Net changes in fund balances</i>	2,462,290	(47,617)	404,268	1,290,058	4,108,999
Fund balance - beginning of year, as previously stated	7,635,070	1,535,150	6,330,186	6,956,084	22,456,490
Restatements	(347,934)	0	0	0	(347,934)
<i>Fund balance - beginning of year, as restated</i>	7,287,136	1,535,150	6,330,186	6,956,084	22,108,556
<b>Fund balance - end of year</b>	<b>\$9,749,426</b>	<b>\$1,487,533</b>	<b>\$6,734,454</b>	<b>\$8,246,142</b>	<b>\$26,217,555</b>

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, 2016**

<b>Net change in fund balances - Governmental Funds</b>	<b>\$4,108,999</b>
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 \$1,083,259 was exceeded by depreciation expense of \$1,107,974 in the current period.	(24,715)
Property taxes are deferred in the funds based on available and measurable criteria. In the Statement of Activities they are recorded as revenue.	(226,152)
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).	522,253
Disposition of capital assets and construction (for repairs) expensed	(123,198)
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 change amount of compensated absences liability.	(23,100)
Pension expenses and actuarial and investment experiences have not been recorded in the funds as they relate to long-term liabilities.	(318,494)
<b><i>Change in net position of governmental activities</i></b>	<b>\$3,915,593</b>

# 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, 2016

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$7,899,100	\$7,899,100	\$8,158,621	\$259,521
State shared taxes	1,175,000	1,175,000	1,311,513	136,513
Small counties assistance	140,000	140,000	190,000	50,000
Intergovernmental revenue	425,000	425,000	407,222	(17,778)
Charges for services	108,100	108,100	131,468	23,368
Interest income	75,000	75,000	143,038	68,038
Federal grants	0	0	0	0
State grants/state sources	55,000	55,000	71,526	16,526
Rental income	125,940	125,940	119,920	(6,020)
Other income	179,000	183,349	266,082	82,733
<i>Total revenues</i>	<u>10,182,140</u>	<u>10,186,489</u>	<u>10,799,390</u>	<u>612,901</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government	4,951,426	4,987,158	4,251,456	735,702
Public safety	3,686,291	3,690,641	3,517,523	173,118
Public works	937,273	937,273	771,267	166,006
Capital outlay	59,000	59,000	25,925	33,075
<i>Total expenditures</i>	<u>9,633,990</u>	<u>9,674,072</u>	<u>8,566,171</u>	<u>1,107,901</u>
<i>Excess (deficiency) of revenues over expenditures</i>	548,150	512,417	2,233,219	1,720,802
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	0	52,598	52,598	0
Operating transfers (out)	(77,200)	(77,200)	(77,200)	0
<i>Total other financing sources (uses)</i>	<u>(77,200)</u>	<u>(24,602)</u>	<u>(24,602)</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$470,950</u>	<u>\$487,815</u>	<u>\$2,208,617</u>	<u>\$1,720,802</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$2,208,617
Adjustments for revenue accruals	283,246
Adjustments for expenditures accruals	(29,573)
<b>Net changes in fund balance (GAAP basis)</b>	<b>\$2,462,290</b>

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, 2016

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Property tax	\$0	\$0	\$0	\$0
State shared taxes	980,000	980,000	877,847	(102,153)
Intergovernmental revenue	0	0	0	0
Charges for services	0	0	0	0
Interest income	4,000	4,000	0	(4,000)
Federal grants	0	0	0	0
State grants/sources	1,572,501	1,572,501	635,428	(937,073)
Other revenue	7,725	7,725	3,160	(4,565)
<i>Total revenues</i>	<u>2,564,226</u>	<u>2,564,226</u>	<u>1,516,435</u>	<u>(1,047,791)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Public works	2,638,774	2,638,774	2,296,347	342,427
Capital outlay	0	0	0	0
Principal, interest and fees	330,000	330,000	0	330,000
<i>Total expenditures</i>	<u>2,968,774</u>	<u>2,968,774</u>	<u>2,296,347</u>	<u>672,427</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(404,548)	(404,548)	(779,912)	(375,364)
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	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>	(404,548)	(404,548)	<u>(\$779,912)</u>	<u>(\$375,364)</u>
Budgeted cash carryover	404,548	404,548		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$779,912)
Adjustments for revenue accruals	869,777
Adjustments for expenditures accruals	(137,482)
<u>Net changes in fund balance (GAAP basis)</u>	<u>(\$47,617)</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, 2016**

	Detention Center	Entertainment Complex Operations	Nonmajor Funds	Totals
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$447,782	\$106,854	\$104,157	\$658,793
Investments	1,000,000	700,000	0	\$1,700,000
Accounts receivable	361,210	2,883	4,078	368,171
Inventory	0	17,779	0	17,779
Other current assets	0	174	0	174
Due from other governments	230,547	0	0	230,547
Due from external sources	26,198	0	0	26,198
<i>Total current assets</i>	<b>2,065,737</b>	<b>827,690</b>	<b>108,235</b>	<b>3,001,662</b>
<b>Non-Current Assets</b>				
Capital assets	7,158,898	9,869,376	0	17,028,274
Accumulated depreciation	(3,265,559)	(1,867,379)	0	(5,132,938)
<i>Total non-current assets</i>	<b>3,893,339</b>	<b>8,001,997</b>	<b>0</b>	<b>11,895,336</b>
<b>Deferred Outflows of Resources</b>				
Pension contributions	225,096	17,407	0	242,503
<b><i>Total assets and deferred outflows of resources</i></b>	<b>\$6,184,172</b>	<b>\$8,847,094</b>	<b>\$108,235</b>	<b>\$15,139,501</b>
<b>LIABILITIES AND FUND NET POSITION</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$72,748	\$18,877	\$0	\$91,625
Accrued salaries	109,616	17,190	0	126,806
Due to other funds	11,447	0	0	11,447
Accrued compensation - current	0	0	0	0
Long-term accrued compensated absences	211,547	9,539	0	221,086
Net pension liability	2,899,704	224,244	0	3,123,948
<i>Total liabilities</i>	<b>3,305,062</b>	<b>269,850</b>	<b>0</b>	<b>3,574,912</b>
<b>Deferred Inflows of Resources</b>				
Pension actuarial and investment experience	74,532	5,764	0	80,296
<b>Fund Net Position:</b>				
Net investment in capital assets	3,893,338	8,001,997	0	11,895,335
Unrestricted	(1,088,760)	569,483	108,235	(411,042)
<i>Total fund net position</i>	<b>2,804,578</b>	<b>8,571,480</b>	<b>108,235</b>	<b>11,484,293</b>
<b><i>Total liabilities, deferred inflows of resources, and fund net position</i></b>	<b>\$6,184,172</b>	<b>\$8,847,094</b>	<b>\$108,235</b>	<b>\$15,139,501</b>

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, 2016

	Detention Center	Entertainment Complex Operations	Nonmajor Funds	Totals
<b>OPERATING REVENUES</b>				
Starmax revenues	\$0	\$1,618,253	\$0	\$1,618,253
Correction fees	153,171	0	0	153,171
Adult and juvenile prisoner fees	5,646,892	0	0	5,646,892
State shared taxes	0	0	0	0
Sale of County property	2,511	0	0	2,511
Miscellaneous revenue	142,907	0	45,860	188,767
<i>Total operating revenues</i>	<u>5,945,481</u>	<u>1,618,253</u>	<u>45,860</u>	<u>7,609,594</u>
<b>OPERATING EXPENDITURES</b>				
Personnel expenses	3,501,238	632,033	0	4,133,271
Depreciation	114,860	346,365	0	461,225
Other operating costs	1,440,505	1,150,339	17,983	2,608,827
<i>Total operating expenditures</i>	<u>5,056,603</u>	<u>2,128,737</u>	<u>17,983</u>	<u>7,203,323</u>
<i>Operating income (loss)</i>	888,878	(510,484)	27,877	406,271
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest revenue	0	0	0	0
<i>Net income (loss) before transfers</i>	888,878	(510,484)	27,877	406,271
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	0	0	0	0
Operating transfers (out)	(18,000)	0	0	(18,000)
<i>Total other financing sources (uses)</i>	<u>(18,000)</u>	<u>0</u>	<u>0</u>	<u>(18,000)</u>
<i>Change in fund net position</i>	870,878	(510,484)	27,877	388,271
Total fund net position, beginning of year, as previously stated	1,933,700	9,081,964	(267,576)	10,748,088
Restatements	0	0	347,934	347,934
<i>Total fund net position, beginning of year, as restated</i>	<u>1,933,700</u>	<u>9,081,964</u>	<u>80,358</u>	<u>11,096,022</u>
<b><i>Total fund net position, end of year</i></b>	<b><u>\$2,804,578</u></b>	<b><u>\$8,571,480</u></b>	<b><u>\$108,235</u></b>	<b><u>\$11,484,293</u></b>

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, 2016**

	Detention Center	Entertainment Complex Operations	Nonmajor Funds	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$6,001,376	\$1,618,253	\$46,833	\$7,666,462
Cash payments to suppliers for goods and services	(1,429,507)	(1,163,758)	(17,983)	(2,611,248)
Cash payments to employees for services	(3,944,907)	(522,947)	0	(4,467,854)
<i>Net cash provided (used) by operating activities</i>	626,962	(68,452)	28,850	587,360
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Temporary loans - to/from other funds	(1,165)	0	0	(1,165)
Net transfers in (out)	(18,000)	0	0	(18,000)
<i>Net cash provided (used) by non-capital and related financing activities</i>	(19,165)	0	0	(19,165)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of equity interest	0	0	0	0
Acquisition of capital assets	(25,213)	0	0	(25,213)
Deletion of capital assets	1,423	0	0	1,423
<i>Net cash provided (used) by capital and related financing activities</i>	(23,790)	0	0	(23,790)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Acquisition of investments	(1,000,000)	(700,000)	0	(1,700,000)
Interest income	0	0	0	0
<i>Net cash provided (used) by investing activities</i>	(1,000,000)	(700,000)	0	(1,700,000)
<i>Net increase (decrease) in cash</i>	(415,993)	(768,452)	28,850	(1,155,595)
Cash and cash equivalents, beginning of year	863,775	875,306	75,307	1,814,388
<b><i>Cash and cash equivalents, end of year</i></b>	<b>\$447,782</b>	<b>\$106,854</b>	<b>\$104,157</b>	<b>\$658,793</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$888,878	(\$510,484)	\$27,877	\$406,271
Depreciation	114,860	346,365	0	461,225
Receivables and other current assets	228,869	0	973	229,842
Inventory	0	0	0	0
Due from other governments	(172,974)	0	0	(172,974)
Accrued payroll expenses	(2,080)	1,118	0	(962)
Pension liability and contribution	(441,589)	107,968	0	(333,621)
Accounts payable	10,998	(13,419)	0	(2,421)
<b><i>Net cash provided (used) by operating activities</i></b>	<b>\$626,962</b>	<b>(\$68,452)</b>	<b>\$28,850</b>	<b>\$587,360</b>

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, 2016**

	Agency Funds
<b>ASSETS</b>	
Cash and temporary investments	\$369,121
Receivables:	
Property taxes	3,977,911
Due from inmates	34,048
<hr/>	
<b><i>Total assets</i></b>	<b>\$4,381,080</b>
<hr/> <hr/>	
<b>LIABILITIES</b>	
Due to inmates	\$9,691
Due to Luna County	26,198
Due to others	171,369
Due to other governments	4,103,960
Prepaid taxes	4,858
Overpayment of taxes	3,241
Taxes paid in advance	31,755
Due to taxpayers	30,008
<hr/>	
<b><i>Total liabilities</i></b>	<b>\$4,381,080</b>
<hr/> <hr/>	

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

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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.

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.

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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, 2016**

**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.



**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

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.

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.

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

***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.

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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.

***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.

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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, 2016. 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, 2016.

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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 \$810,612 as of June 30, 2016.

***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 October 31, 2016, the date the financial statements were available to be issued.

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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. Designated cash appropriations in excess of available balances:
  - KLCB Aluminum \$471
  
- B. Excess of fund actual expenditures over budget:

Fund	Budget Amount	Actual Amount	Over Expended
Domestic Violence Shelter	\$278,177	\$287,666	\$9,489

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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, 2016.

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, 2016, 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	\$10,748,353	(\$527,736)	\$10,220,617
Wells Fargo Bank	573,201	0	573,201
<i>Total cash deposits</i>	\$11,321,554	(\$527,736)	10,793,818
Cash on hand			8,223
Cash held with Trustee – State Treasurer			692,000
Wells Fargo Investments – Money Market Accounts			2,556,598
			\$14,050,639

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

Cash and cash equivalents	\$12,989,517
Restricted cash and cash equivalents	692,001
Agency funds	369,121
<i>Statement of net position</i>	\$14,050,639

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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, 2016, \$6,397,728 of the County's bank balances of \$13,878,152 were exposed to custodial credit risk as follows:

	First New Mexico Bank	Wells Fargo Bank
Year ended June 30, 2016:		
Total amount of deposits	\$13,304,951	\$573,201
FDIC Coverage	(250,000)	(250,000)
<i>Total uninsured public funds</i>	13,054,951	323,201
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name	6,657,223	356,151
<i>Over (under) collateralization</i>	(\$6,397,728)	\$32,950
Collateral requirement (50% of uninsured public funds)	\$6,527,476	\$161,600
Pledged securities	6,657,223	356,151
<i>Over (under) collateralization</i>	\$129,747	\$194,551

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, 2016**

**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, 2016, 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	\$10,242,377		65.17%
US Government Securities	N/A	1,503,222		9.57%
New Mexico Municipals	A to AAA	1,413,437		8.99%
Money Market Accounts	N/A	2,556,598		16.27%
<i>Total fair value</i>		15,715,634	1150	100.00%
<u>Less cash equivalents – shown as cash</u>		<u>2,556,598</u>		
		<u>\$13,159,036</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.

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 3. CASH AND INVESTMENTS (CONTINUED)**

*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.

**Fair Value Measurement**

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurement as of June 30, 2016.

Investment Type	Amount	
Certificates of Deposit	\$10,242,377	valued using quoted market prices (Level 1 inputs)
US Government Securities	\$1,503,222	valued using quoted market prices (Level 1 inputs)
New Mexico Municipals	\$1,413,437	valued using quoted market prices (Level 1 inputs)
Money Market Accounts	\$2,556,598	valued using quoted market prices (Level 1 inputs)

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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.

<b>Interfund Transfers In (Out)</b>	<b>Operating Transfers Out</b>						<b>Totals</b>
	<b>General Fund</b>	<b>County Maintenance</b>	<b>Detention Center</b>	<b>Entertainment Complex Bond</b>	<b>Nonmajor Governmental Funds</b>	<b>Nonmajor Proprietary Funds</b>	
<b>Operating Transfers In:</b>							
General Fund	\$0	\$43,913	\$0	\$0	\$8,685	\$0	\$52,598
County Maintenance	-	-	-	-	-	-	-
Entertainment Complex Operations	-	-	-	-	-	-	-
Road Fund	-	-	-	-	-	-	-
Nonmajor Governmental Funds	77,200	19,200	18,000	-	-	-	114,400
Nonmajor Proprietary Funds	-	-	-	-	-	-	-
	<b>\$77,200</b>	<b>\$63,113</b>	<b>\$18,000</b>	<b>\$0</b>	<b>\$8,685</b>	<b>\$0</b>	<b>\$166,998</b>

<b>Due From (to) Other Funds</b>	<b>Due To:</b>			<b>Totals</b>
	<b>General Fund</b>	<b>Detention Fund</b>	<b>Nonmajor Governmental Funds</b>	
<b>Due From:</b>				
General Fund	\$0	\$11,447	\$100,413	\$111,860
Nonmajor Governmental Funds	51,682	0	15,097	66,779
	<b>\$51,682</b>	<b>\$11,447</b>	<b>\$115,510</b>	<b>\$178,639</b>

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 5. CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2016 is as follows:

	Balance June 30, 2015	Additions	Retirements	Transfers	Balance June 30, 2016
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$1,530,777	\$154,204	\$0	\$0	1,684,981
Construction in progress	4,167,808	698,635	0	(320,436)	4,546,007
<i>Total capital assets not being depreciated</i>	5,698,585	852,839	0	(320,436)	6,230,988
Capital assets being depreciated:					
Buildings and building improvements	17,913,776	0	0	49,927	17,963,703
Infrastructure	0	0	0	169,577	169,577
Equipment and furnishings	11,191,425	230,420	(320,262)	0	11,101,583
<i>Total capital assets being depreciated</i>	29,105,201	230,420	(320,262)	219,504	29,234,863
Less accumulated depreciation for:					
Buildings and building improvements	(3,960,463)	(442,080)	0	0	(4,402,543)
Infrastructure	0	0	0	0	0
Equipment and furnishings	(9,516,424)	(665,894)	297,996	0	(9,884,322)
<i>Total accumulated depreciation</i>	(13,476,887)	(1,107,974)	297,996	0	(14,286,865)
<b>Governmental activities capital assets, net</b>	<b>\$21,326,899</b>	<b>(\$24,715)</b>	<b>(\$22,266)</b>	<b>(\$100,932) *</b>	<b>\$21,178,986</b>

\* Construction in progress considered repairs, therefore not capitalized.

Depreciation expense for the year ended June 30, 2016 was charged to the following functions and funds:

General Government	\$242,526
Public Safety	449,821
Public Works	233,130
Health and Welfare	182,081
Culture and Recreation	416
	<u>\$1,107,974</u>

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 5. CAPITAL ASSETS (CONTINUED)**

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$719,714	\$0	\$0	\$719,714
<i>Total capital assets not being depreciated</i>	719,714	0	0	719,714
Capital assets being depreciated:				
Buildings	15,185,704	0	0	15,185,704
Leasehold improvements	33,252	0	0	33,252
Equipment and furnishings	1,162,487	25,213	(98,096)	1,089,604
<i>Total capital assets being depreciated</i>	16,381,443	25,213	(98,096)	16,308,560
Less accumulated depreciation for:				
Buildings	(3,799,205)	(367,639)	0	(4,166,844)
Leasehold improvements	(16,022)	(2,217)	0	(18,239)
Equipment and furnishings	(953,159)	(91,369)	96,673	(947,855)
<i>Total accumulated depreciation</i>	(4,768,386)	(461,225)	96,673	(5,132,938)
<b><i>Business-Type activities capital assets, net</i></b>	<b>\$12,332,771</b>	<b>(\$436,012)</b>	<b>(\$1,423)</b>	<b>\$11,895,336</b>

Depreciation expense for business-type activities for the year ended June 30, 2016 was \$461,225.

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 6. LONG-TERM DEBT**

Governmental Activities: During the year ended June 30, 2016, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Judicial Bond 2007A	\$3,535,440	\$0	\$135,908	\$3,399,532	\$145,000
Entertainment Complex 2015	6,185,000	0	450,000	5,735,000	350,000
GRT Improvement Bonds 2015A	1,000,000	0	0	1,000,000	81,954
NMFA Loan	415,175	0	206,781	208,394	208,394
Compensated absences	570,250	488,200	468,924	589,526	0
<b>Total primary government</b>	<b>\$11,705,865</b>	<b>\$488,200</b>	<b>\$1,261,613</b>	<b>\$10,932,452</b>	<b>\$785,348</b>

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:

Years Ending June 30,	Interest Rate	Principal	Interest	Total
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	4.000%	170,000	118,440	288,440
2022-2026	4.000%-4.200%	960,000	480,840	1,440,840
2027-2031	4.200%-4.450%	1,175,000	255,319	1,430,319
2032-2036	4.450%	545,000	24,586	569,586
Discount remaining		(65,468)	0	(65,468)
		<b>\$3,399,532</b>	<b>\$1,416,139</b>	<b>\$4,815,671</b>

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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 \$5,735,000 at June 30, 2016. 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>
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	395,000	127,566	522,566
2022-2026	2,165,000	448,045	2,613,045
2027-2031	1,720,000	106,445	1,826,445
	<u>\$5,735,000</u>	<u>\$1,305,781</u>	<u>\$7,040,781</u>

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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.

Years Ending June 30,	Principal	Interest	Total
2017	\$81,954	\$28,201	\$110,155
2018	90,578	25,665	116,243
2019	93,244	22,963	116,207
2020	95,987	20,181	116,168
2021	98,812	17,317	116,129
2022-2026	539,425	40,593	580,018
	<u>\$1,000,000</u>	<u>\$154,920</u>	<u>\$1,154,920</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 1<sup>st</sup>. 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 1<sup>st</sup> and November 1<sup>st</sup>. 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:

Years Ending June 30,	Interest Rate	Principal	Interest	Total
2017	.78%	\$208,394	\$1,396	\$209,790

Business-Type Activities: During the year ended June 30, 2016, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Compensated absences	\$222,793	\$291,323	(\$293,030)	\$221,086	\$0

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



**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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, 2015 through June 30, 2016, the premiums paid were \$656,937. 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.

**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, 2015 available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.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 31 through 32 of the PERA FY14 annual audit report at [http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](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 \$637,783 for the year ended June 30, 2016.

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:*** The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2015.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The County 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, 2015. Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2015 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2015 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

**For PERA Fund Division Municipal General**, at June 30, 2016, the County of Luna reported a liability of \$7,732,545 for its proportionate share of the net pension liability. At June 30, 2015, the County of Luna’s proportion was .7584 percent, which changed from its proportion measured as of June 30, 2014 of .7647 percent.

For the year ended June 30, 2016, the County of Luna recognized PERA Fund Division municipal general pension expense of \$705,799. At June 30, 2016, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$0	\$171,279
Changes of assumptions	0	3,012
Net difference between projected and actual earnings on pension plan investments	0	24,461
Changes in proportion and differences between County of Luna contributions and proportionate share of contributions	(37,528)	0
County of Luna contributions subsequent to the measurement date	637,783	0
<b>Total</b>	<b>\$600,255</b>	<b>\$198,752</b>

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

\$637,783 reported as deferred outflows of resources related to pensions resulting from County of Luna contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	(\$204,804)
2018	(204,804)
2019	(204,804)
2020	415,661
2021	(1)
<hr/>	
Thereafter	(\$198,752)
<hr/>	

**For PERA Fund Division Municipal Police**, at June 30, 2016, the County of Luna reported a liability of \$3,083,730 for its proportionate share of the net pension liability. At June 30, 2015, the County of Luna’s proportion was .6413 percent, which was a decrease from its proportion measured as of June 30, 2014 of .6831 percent.

For the year ended June 30, 2016, the County of Luna recognized PERA Fund Division municipal police pension expense of \$171,936. At June 30, 2016, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<hr/>	
Differences between expected and actual experience	\$0	(\$215,478)
Changes of assumptions	0	127,580
Net difference between projected and actual earnings on pension plan investments	0	8,554
Changes in proportion and differences between County of Luna contributions and proportionate share of contributions	(104,050)	0
<u>County of Luna contributions subsequent to the measurement date</u>	<u>255,079</u>	<u>0</u>
<u>Total</u>	<u>\$151,029</u>	<u>(\$79,344)</u>

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

\$255,079 reported as deferred outflows of resources related to pensions resulting from County of Luna contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	(\$26,257)
2018	(26,257)
2019	(26,257)
2020	158,116
2021	(1)
Thereafter	\$79,344

**Actuarial assumptions.** As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2014 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
• Investment rate of return	7.75% annual rate, net of investment expense
• Payroll growth	3.50% annual rate
• Projected salary increases	3.50% to 14.25% annual rate
• Includes inflation at	3.00% annual rate

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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

ALL FUNDS – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	21.1%	5.00%
International Equity	24.8	5.20
Private Equity	7.0	8.20
Core and Global Fixed Income	26.1	1.85
Fixed Income Plus Sectors	5.0	4.80
Real Estate	5.0	5.30
Real Assets	7.0	5.70
Absolute Return	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	\$13,165,456	\$7,732,545	\$3,215,449

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	\$5,092,594	\$3,083,730	\$1,435,781

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FY15 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

**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, 2016, the County had paid all required contributions and therefore, there is no payable to the pension plan.

**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](http://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.

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 9. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

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, 2016, 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, 2016, 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, 2014, 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, 2016, 2015 and 2014 were \$167,900, \$157,942, and \$157,380, respectively, which equal the required contributions for each year.

**NOTE 10. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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.

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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.

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.



**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 11. FUND BALANCE CLASSIFICATIONS (CONTINUED)**

The classification of governmental fund balances are as follows:

	General Fund	Major Special Revenue Fund- Road	Major Capital Projects Fund- County Maintenance	Other Funds	Total
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Inventory	\$ -	\$ 220,459	\$ -	\$ -	\$ 220,459
<b>Restricted for:</b>					
Ambulance services	-	-	-	439,646	439,646
Health and social services	-	-	-	539,260	539,260
DWI prevention/education	-	-	-	120,135	120,135
DWI services	-	-	-	66,671	66,671
Conservation and range control	-	-	-	48,974	48,974
Fire protection	-	-	-	102,394	102,394
Indigent claims – health	-	-	-	798,351	798,351
Law enforcement	-	-	-	41,738	41,738
Recreation	-	-	-	143	143
Reappraisals	-	-	-	586,628	586,628
Volunteer fire services	-	-	-	458,771	458,771
Debt service	-	-	-	2,578,325	2,578,325
Capital projects	-	-	-	503,069	503,069
<b>Committed To:</b>					
Capital projects	-	-	-	698,844	698,844
<b>Assigned To:</b>					
Road surface repairs	-	1,267,074	-	-	1,267,074
County maintenance/projects	-	-	6,734,454	-	6,734,454
Clerk's office	-	-	-	129,986	129,986
Education	-	-	-	584,913	584,913
Waste/recycling	-	-	-	37,444	37,444
Treasurer's office	-	-	-	395,298	395,298
Assessor's non-rendition fees	-	-	-	115,552	115,552
Unassigned	9,749,426	-	-	-	9,749,426
<b>Total fund balances</b>	<b>\$9,749,426</b>	<b>\$1,487,533</b>	<b>\$6,734,454</b>	<b>\$8,246,142</b>	<b>\$26,217,555</b>

**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 operations of the Entertainment Complex are shown in these financial statements as a proprietary fund.

**COUNTY OF LUNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 13. RESTATEMENTS**

Governmental Activities:

To close out Columbus Stockyard fund residual, cash transferred prior year	(\$347,934)
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Business-Type Activities/Proprietary Funds:

To close out Columbus Stockyard fund residual, cash transferred prior year.	\$347,934
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Governmental Funds:

General Fund

To close out Columbus Stockyard fund residual, cash transferred prior year.	(\$347,934)
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Nonmajor Governmental Funds:

LCDC Series 2015 Bond	(960,045)
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LCDC Addition 2015 Bond	960,045
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Reclassify LCDC Series 2015 Bond to capital projects from debt service. Bond proceeds being expended on capital projects.

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(\$347,934)

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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\*

	As of	
	Measurement Date	
	June 30, 2015	June 30, 2014
	<b>2016</b>	<b>2015</b>
County of Luna's proportion of the net pension liability (asset)	0.7584%	0.7647%
County of Luna's proportionate share of the net pension liability (asset)	\$7,732,545	\$5,965,481
County of Luna's covered-employee payroll	\$6,287,461	\$6,211,087
County of Luna's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	122.98%	96.05%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%

\*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\*

	As of	
	Measurement Date	
	June 30, 2015	June 30, 2014
	<b>2016</b>	<b>2015</b>
County of Luna's proportion of the net pension liability (asset)	0.6413%	0.6831%
County of Luna's proportionate share of the net pension liability (asset)	\$3,083,730	\$2,226,832
County of Luna's covered-employee payroll	\$1,258,949	\$1,317,273
County of Luna's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	244.94%	169.05%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%

\*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\*

	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$637,783	\$607,351
Contributions in relation to the contractually required contribution	\$637,783	\$607,351
Contribution deficiency (excess)	\$0	\$0
County of Luna's covered-employee payroll	\$6,678,352	\$6,287,461
Contributions as a percentage of covered-employee payroll	9.55%	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\*

	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$255,079	\$239,409
Contributions in relation to the contractually required contribution	\$255,079	\$239,409
Contribution deficiency (excess)	\$0	\$0
County of Luna's covered-employee payroll	\$1,349,622	\$1,258,949
Contributions as a percentage of covered-employee payroll	18.90%	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, 2016

**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 FY15 audit available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf).

**Changes of assumptions.**

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

[http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report\\_FINAL.pdf](http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf). The summary of 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, 2016**

**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 1/4% gross receipts tax for fire protection services to Luna County residents by financing the operational expenses and capital outlay costs of independent fire districts.. 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, 2016**

**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, 2016**

	Ambulance	Assessor's Non-rendi- tion Fees	CASA Program	Community Health and Social Services	Community Services (formerly Healthy Start)
<b>ASSETS</b>					
Cash and cash equivalents	\$377,396	\$14,499	\$27,140	\$1,770	\$184,121
Investments	0	100,000	0	0	0
Receivables:					
Due from other governments	62,250	0	0	0	0
Grants	0	0	13,761	0	243,624
Other receivable	0	0	0	0	0
Property tax receivable	0	43,564	0	0	0
Due from other funds	0	0	0	0	0
<b>Total assets</b>	<b>\$439,646</b>	<b>\$158,063</b>	<b>\$40,901</b>	<b>\$1,770</b>	<b>\$427,745</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable	\$0	\$0	\$594	\$0	\$3,737
Accrued salaries	0	0	2,522	0	17,185
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
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>3,116</b>	<b>0</b>	<b>20,922</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes	0	42,511	0	0	0
<b>Fund Balance:</b>					
Restricted	439,646	0	37,785	1,770	406,823
Committed	0	0	0	0	0
Assigned	0	115,552	0	0	0
Unassigned	0	0	0	0	0
<b>Total fund balance</b>	<b>439,646</b>	<b>115,552</b>	<b>37,785</b>	<b>1,770</b>	<b>406,823</b>
<b>Total liabilities and fund balance</b>	<b>\$439,646</b>	<b>\$158,063</b>	<b>\$40,901</b>	<b>\$1,770</b>	<b>\$427,745</b>

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

**COUNTY OF LUNA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2016**

	Domestic Violence Shelter (formerly Healing House	DWI Compliance Monitoring	DWI Grant	DWI Screening Fees	DWI Treatment Fees	Farm and Range
<b>ASSETS</b>						
Cash and cash equivalents	\$70,121	\$44,727	\$45,487	\$20,288	\$1,656	\$48,939
Investments	0	0	0	0	0	0
Receivables:						
Due from other governments	0	0	4,596	0	0	0
Grants	27,705	0	24,113	0	0	0
Other receivable	0	0	0	0	0	0
Property tax receivable	0	0	0	0	0	3,260
Due from other funds	8,730	0	51,683	0	0	0
<b>Total assets</b>	<b>\$106,556</b>	<b>\$44,727</b>	<b>\$125,879</b>	<b>\$20,288</b>	<b>\$1,656</b>	<b>\$52,199</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities:</b>						
Accounts payable	\$312	\$0	\$641	\$0	\$0	\$0
Accrued salaries	6,996	0	5,103	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
<b>Total liabilities</b>	<b>13,674</b>	<b>0</b>	<b>5,744</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes	0	0	0	0	0	3,225
<b>Fund Balance:</b>						
Restricted	92,882	44,727	120,135	20,288	1,656	48,974
Committed	0	0	0	0	0	0
Assigned	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0
<b>Total fund balance</b>	<b>92,882</b>	<b>44,727</b>	<b>120,135</b>	<b>20,288</b>	<b>1,656</b>	<b>48,974</b>
<b>Total liabilities and fund balance</b>	<b>\$106,556</b>	<b>\$44,727</b>	<b>\$125,879</b>	<b>\$20,288</b>	<b>\$1,656</b>	<b>\$52,199</b>

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

**COUNTY OF LUNA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2016**

	Fire Protection	Indigent Hospital Claims	KLCB Aluminum Recycling	Law Enforcement Protection	Mimbres Valley Learning Center	Recreation
<b>ASSETS</b>						
Cash and cash equivalents	\$62,476	\$376,852	\$31,710	\$0	\$54,106	\$143
Investments	0	325,000	0	0	500,000	0
Receivables:						
Due from other governments	39,918	96,499	0	59,759	31,125	0
Grants	0	0	5,661	146,583	0	0
Other receivable	0	0	0	0	0	0
Property tax receivable	0	0	0	0	0	0
Due from other funds	0	0	0	6,366	0	0
<b>Total assets</b>	<b>\$102,394</b>	<b>\$798,351</b>	<b>\$37,371</b>	<b>\$212,708</b>	<b>\$585,231</b>	<b>\$143</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities:</b>						
Accounts payable	\$0	\$0	\$0	\$51,313	\$318	\$0
Accrued salaries	0	0	0	10,513	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	109,144	0	0
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>170,970</b>	<b>318</b>	<b>0</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes	0	0	0	0	0	0
<b>Fund Balance:</b>						
Restricted	102,394	798,351	0	41,738	0	143
Committed	0	0	0	0	0	0
Assigned	0	0	37,371	0	584,913	0
Unassigned	0	0	0	0	0	0
<b>Total fund balance</b>	<b>102,394</b>	<b>798,351</b>	<b>37,371</b>	<b>41,738</b>	<b>584,913</b>	<b>143</b>
<b>Total liabilities and fund balance</b>	<b>\$102,394</b>	<b>\$798,351</b>	<b>\$37,371</b>	<b>\$212,708</b>	<b>\$585,231</b>	<b>\$143</b>

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

**COUNTY OF LUNA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2016**

	Reappraisal Program	Recording Fees	Solid Waste Grant	Treasurer's Mobile Home Sales	Volunteer Fire Departments	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$60,700	\$79,986	\$73	\$395,844	\$459,748	\$2,357,782
Investments	525,000	50,000	0	0	0	1,500,000
Receivables:						
Due from other governments	0	0	0	0	0	294,147
Grants	0	0	0	0	0	461,447
Other receivable	0	0	0	0	0	0
Property tax receivable	53,111	0	0	0	0	99,935
Due from other funds	0	0	0	0	0	66,779
<b>Total assets</b>	<b>\$638,811</b>	<b>\$129,986</b>	<b>\$73</b>	<b>\$395,844</b>	<b>\$459,748</b>	<b>\$4,780,090</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities:</b>						
Accounts payable	\$616	\$0	\$0	\$0	\$977	\$58,508
Accrued salaries	378	0	0	546	0	43,243
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	115,510
<b>Total liabilities</b>	<b>994</b>	<b>0</b>	<b>0</b>	<b>546</b>	<b>977</b>	<b>217,261</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes	51,189	0	0	0	0	96,925
<b>Fund Balance:</b>						
Restricted	586,628	0	0	0	458,771	3,202,711
Committed	0	0	0	0	0	0
Assigned	0	129,986	73	395,298	0	1,263,193
Unassigned	0	0	0	0	0	0
<b>Total fund balance</b>	<b>586,628</b>	<b>129,986</b>	<b>73</b>	<b>395,298</b>	<b>458,771</b>	<b>4,465,904</b>
<b>Total liabilities and fund balance</b>	<b>\$638,811</b>	<b>\$129,986</b>	<b>\$73</b>	<b>\$395,844</b>	<b>\$459,748</b>	<b>\$4,780,090</b>

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, 2016

	Ambulance	Assessor's Non-remi- tion Fees	CASA Program	Community Health and Social Services	Community Services (formerly Healthy Start)
<b>REVENUES</b>					
Taxes:					
Property	\$0	\$41,694	\$0	\$0	\$0
Gross receipts	381,551	0	0	0	0
Gasoline and motor vehicle	0	0	0	0	0
Intergovernmental:					
Federal sources operating	0	0	40,094	0	119,277
Federal sources capital	0	0	0	0	0
State sources operating	0	0	95,810	0	977,087
State sources capital	0	0	0	0	0
Charges for services	0	0	0	0	0
Investment income	0	0	0	0	0
Other income	0	0	351	0	6,102
<b>Total revenues</b>	<b>381,551</b>	<b>41,694</b>	<b>136,255</b>	<b>0</b>	<b>1,102,466</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government	0	0	0	0	0
Public works	0	0	0	0	0
Public safety	345,000	0	0	0	0
Health and welfare	0	0	148,570	0	1,041,237
Culture and recreation	0	0	0	0	0
Debt Service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	0	0	0	0	0
<b>Total expenditures</b>	<b>345,000</b>	<b>0</b>	<b>148,570</b>	<b>0</b>	<b>1,041,237</b>
<i>Excess (deficiency) of revenues over expenditures</i>	36,551	41,694	(12,315)	0	61,229
<b>Other Financing Sources (Uses):</b>					
Transfers in	0	0	0	0	18,000
Transfers (out)	0	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,000</b>
<i>Net changes in fund balances</i>	36,551	41,694	(12,315)	0	79,229
<i>Fund balance - beginning of year</i>	403,095	73,858	50,100	1,770	327,594
<b>Fund balance - end of year</b>	<b>\$439,646</b>	<b>\$115,552</b>	<b>\$37,785</b>	<b>\$1,770</b>	<b>\$406,823</b>

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, 2016

	Domestic Violence Shelter (formerly Healing House	DWI Compliance Monitoring	DWI Grant	DWI Screening Fees	DWI Treatment Fees	Farm and Range
<b>REVENUES</b>						
Taxes:						
Property	\$0	\$0	\$0	\$0	\$0	\$14,955
Gross receipts	0	0	0	0	0	0
Gasoline and motor vehicle	0	0	0	0	0	0
Intergovernmental:						
Federal sources operating	74,332	0	0	0	0	20,711
Federal sources capital	0	0	0	0	0	0
State sources operating	183,044	0	218,923	0	0	0
State sources capital	0	0	0	0	0	0
Charges for services	0	22,006	0	5,100	1,960	0
Investment income	0	0	0	0	0	0
Other income	0	0	19,231	0	0	0
<i>Total revenues</i>	<b>257,376</b>	<b>22,006</b>	<b>238,154</b>	<b>5,100</b>	<b>1,960</b>	<b>35,666</b>
<b>EXPENDITURES</b>						
<b>Current:</b>						
General government	0	0	0	0	0	41,000
Public works	0	0	0	0	0	0
Public safety	0	0	0	0	0	0
Health and welfare	287,613	150	231,002	7,056	4,350	0
Culture and recreation	0	0	0	0	0	0
Debt Service:						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
<i>Total expenditures</i>	<b>287,613</b>	<b>150</b>	<b>231,002</b>	<b>7,056</b>	<b>4,350</b>	<b>41,000</b>
<i>Excess (deficiency) of revenues over expenditures</i>	(30,237)	21,856	7,152	(1,956)	(2,390)	(5,334)
<b>Other Financing Sources (Uses):</b>						
Transfers in	35,000	0	0	0	0	25,000
Transfers (out)	(8,685)	0	0	0	0	0
<i>Total other financing sources (uses)</i>	<b>26,315</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,000</b>
<i>Net changes in fund balances</i>	(3,922)	21,856	7,152	(1,956)	(2,390)	19,666
<i>Fund balance - beginning of year</i>	96,804	22,871	112,983	22,244	4,046	29,308
<b><i>Fund balance - end of year</i></b>	<b>\$92,882</b>	<b>\$44,727</b>	<b>\$120,135</b>	<b>\$20,288</b>	<b>\$1,656</b>	<b>\$48,974</b>

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, 2016

	Fire Protection	Indigent Hospital Claims	KLCB Aluminum Recycling	Law Enforcement Protection	Mimbres Valley Learning Center	Recreation
<b>REVENUES</b>						
Taxes:						
Property	\$0	\$0	\$0	\$0	\$0	\$0
Gross receipts	165,936	0	0	44,773	190,776	0
Gasoline and motor vehicle	0	0	0	0	0	0
Intergovernmental:						
Federal sources operating	0	0	23,858	581,649	0	0
Federal sources capital	0	0	0	0	0	0
State sources operating	0	603,503	30,267	404,515	0	0
State sources capital	0	0	0	0	0	0
Charges for services	0	0	347	0	136,762	0
Investment income	0	0	0	0	0	0
Other income	0	38,540	0	51,532	0	0
<b>Total revenues</b>	<b>165,936</b>	<b>642,043</b>	<b>54,472</b>	<b>1,082,469</b>	<b>327,538</b>	<b>0</b>
<b>EXPENDITURES</b>						
<b>Current:</b>						
General government	0	0	40,117	0	0	0
Public works	0	0	0	0	0	0
Public safety	145,138	0	0	1,260,880	0	0
Health and welfare	0	593,571	0	0	0	0
Culture and recreation	0	0	0	0	236,078	0
Debt Service:						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Capital outlay	0	0	0	39,913	0	0
<b>Total expenditures</b>	<b>145,138</b>	<b>593,571</b>	<b>40,117</b>	<b>1,300,793</b>	<b>236,078</b>	<b>0</b>
<i>Excess (deficiency) of revenues over expenditures</i>	20,798	48,472	14,355	(218,324)	91,460	0
<b>Other Financing Sources (Uses):</b>						
Transfers in	19,200	0	17,200	0	0	0
Transfers (out)	0	0	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>19,200</b>	<b>0</b>	<b>17,200</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Net changes in fund balances</i>	39,998	48,472	31,555	(218,324)	91,460	0
<i>Fund balance - beginning of year</i>	62,396	749,879	5,816	260,062	493,453	143
<b>Fund balance - end of year</b>	<b>\$102,394</b>	<b>\$798,351</b>	<b>\$37,371</b>	<b>\$41,738</b>	<b>\$584,913</b>	<b>\$143</b>

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, 2016

	Reappraisal Program	Recording Fees	Solid Waste Grant	Treasurer's Mobile Home Sales	Volunteer Fire Departments	Totals
<b>REVENUES</b>						
Taxes:						
Property	\$130,769	\$0	\$0	\$0	\$0	\$187,418
Gross receipts	0	0	0	0	0	783,036
Gasoline and motor vehicle	0	0	0	0	0	0
Intergovernmental:						
Federal sources operating	0	0	0	0	0	859,921
Federal sources capital	0	0	0	0	0	0
State sources operating	0	0	0	0	66,397	2,579,546
State sources capital	0	0	0	0	0	0
Charges for services	0	34,328	0	1,980	0	202,483
Investment income	0	0	0	0	0	0
Other income	516	0	0	36,900	100	153,272
<b>Total revenues</b>	<b>131,285</b>	<b>34,328</b>	<b>0</b>	<b>38,880</b>	<b>66,497</b>	<b>4,765,676</b>
<b>EXPENDITURES</b>						
<b>Current:</b>						
General government	43,918	0	0	15,815	0	140,850
Public works	0	0	0	0	0	0
Public safety	0	0	0	0	57,373	1,808,391
Health and welfare	0	0	0	0	0	2,313,549
Culture and recreation	0	0	0	0	0	236,078
Debt Service:						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Capital outlay	0	6,514	0	0	20,440	66,867
<b>Total expenditures</b>	<b>43,918</b>	<b>6,514</b>	<b>0</b>	<b>15,815</b>	<b>77,813</b>	<b>4,565,735</b>
<i>Excess (deficiency) of revenues over expenditures</i>	87,367	27,814	0	23,065	(11,316)	199,941
<b>Other Financing Sources (Uses):</b>						
Transfers in	0	0	0	0	0	114,400
Transfers (out)	0	0	0	0	0	(8,685)
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>105,715</b>
<i>Net changes in fund balances</i>	87,367	27,814	0	23,065	(11,316)	305,656
<i>Fund balance - beginning of year</i>	499,261	102,172	73	372,233	470,087	4,160,248
<b>Fund balance - end of year</b>	<b>\$586,628</b>	<b>\$129,986</b>	<b>\$73</b>	<b>\$395,298</b>	<b>\$458,771</b>	<b>\$4,465,904</b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
State shared taxes	\$310,000	\$310,000	\$378,191	\$68,191
Other income	0	0	0	0
<i>Total revenues</i>	310,000	310,000	378,191	68,191
<b>EXPENDITURES</b>				
Current:				
Health and welfare	345,000	345,000	345,000	0
<i>Total expenditures</i>	345,000	345,000	345,000	0
<i>Excess (deficiency) of revenues over expenditures</i>	(35,000)	(35,000)	<u>\$33,191</u>	<u>\$68,191</u>
<i>Budgeted cash carryover</i>	35,000	35,000		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$33,191
Adjustments for revenue accruals	3,360
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<b><u>\$36,551</u></b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Charges for services	\$25,000	\$25,000	\$41,552	\$16,552
<i>Total revenues</i>	25,000	25,000	41,552	16,552
<b>EXPENDITURES</b>				
Current:				
General government	2,000	2,000	0	2,000
Capital outlay	14,000	14,000	0	14,000
<i>Total expenditures</i>	16,000	16,000	0	16,000
<i>Excess (deficiency) of revenues over expenditures</i>	\$9,000	\$9,000	\$41,552	\$32,552

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$41,552
Adjustments for revenue accruals	142
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<b>\$41,694</b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Federal grants	\$7,697	\$42,312	\$40,045	(\$2,267)
State grants	95,810	95,810	95,810	0
Other income	0	0	345	345
<i>Total revenues</i>	<u>103,507</u>	<u>138,122</u>	<u>136,200</u>	<u>(1,922)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	108,959	158,037	147,681	10,356
<i>Total expenditures</i>	<u>108,959</u>	<u>158,037</u>	<u>147,681</u>	<u>10,356</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(5,452)	(19,915)	(11,481)	8,434
<b>Other Financing Sources (Uses):</b>				
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>	(5,452)	(19,915)	<u>(\$11,481)</u>	<u>\$8,434</u>
Budgeted cash carryover	<u>5,452</u>	<u>19,915</u>		
	<u>\$0</u>	<u>\$0</u>		
Budgetary - GAAP Reporting Reconciliation:				
Excess (deficiency) of revenues over expenditures and other financing sources (uses)			(\$11,481)	
Adjustments for revenue accruals			55	
Adjustments for expenditures accruals			(889)	
Net changes in fund balance			<u>(\$12,315)</u>	

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
State grants	\$0	\$0	\$0	\$0
<i>Total revenues</i>	0	0	0	0
<b>EXPENDITURES</b>				
Current:				
Health and welfare	0	0	0	0
<i>Total expenditures</i>	0	0	0	0
<i>Excess (deficiency) of revenues over expenditures</i>	0	0	0	0
<b>Other Financing Sources (Uses):</b>				
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>	\$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
<b>Net changes in fund balance</b>	<b>\$0</b>

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, 2016

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Intergovernmental revenue	\$0	\$0	\$0	\$0
Federal grants	158,911	142,480	115,874	(26,606)
State grants	960,292	1,020,027	957,689	(62,338)
Other	0	5,667	6,043	376
<i>Total revenues</i>	<u>1,119,203</u>	<u>1,168,174</u>	<u>1,079,606</u>	<u>(88,568)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	1,121,478	1,222,540	1,042,895	179,645
<i>Total expenditures</i>	<u>1,121,478</u>	<u>1,222,540</u>	<u>1,042,895</u>	<u>179,645</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(2,275)	(54,366)	36,711	91,077
<b>Other Financing Sources (Uses):</b>				
Operating transfers in (out)	0	18,000	18,000	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(2,275)	(36,366)	<u>\$54,711</u>	<u>\$91,077</u>
Budgeted cash carryover	2,275	36,366		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$54,711
Adjustments for revenue accruals	22,860
Adjustments for expenditures accruals	1,658
<b>Net changes in fund balance</b>	<b>\$79,229</b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Intergovernmental revenue	\$0	\$0	\$0	\$0
State grants	155,882	155,882	183,513	27,631
Federal grants	47,893	51,386	70,357	18,971
Other income	0	0	0	0
<i>Total revenues</i>	<u>203,775</u>	<u>207,268</u>	<u>253,870</u>	<u>46,602</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	268,639	278,177	287,666	(9,489)
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>268,639</u>	<u>278,177</u>	<u>287,666</u>	<u>(9,489)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(64,864)	(70,909)	(33,796)	37,113
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	35,000	35,000	35,000	0
Operating transfers (out)	0	(8,685)	(8,685)	0
<i>Total other financing sources (uses)</i>	<u>35,000</u>	<u>26,315</u>	<u>26,315</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(29,864)	(44,594)	<u>(\$7,481)</u>	<u>\$37,113</u>
Budgeted cash carryover	29,864	44,594		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$7,481)
Adjustments for revenue accruals	3,506
Adjustments for expenditures accruals	53
<b>Net changes in fund balance</b>	<b><u>(\$3,922)</u></b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Charges for services	\$2,000	\$2,000	\$22,006	\$20,006
Other income	0	0	0	0
<i>Total revenues</i>	2,000	2,000	22,006	20,006
<b>EXPENDITURES</b>				
Current:				
Health and welfare	4,000	4,000	150	3,850
<i>Total expenditures</i>	4,000	4,000	150	3,850
<i>Excess (deficiency) of revenues over expenditures</i>	(2,000)	(2,000)	<u>\$21,856</u>	<u>\$23,856</u>
<i>Budgeted cash carryover</i>	2,000	2,000		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$21,856
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<u>Net changes in fund balance</u>	<u>\$21,856</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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
State grants	\$210,892	\$210,892	\$214,453	\$3,561
Other income	0	4,550	18,475	13,925
<i>Total revenues</i>	<u>210,892</u>	<u>215,442</u>	<u>232,928</u>	<u>17,486</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	235,517	258,678	230,271	28,407
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>235,517</u>	<u>258,678</u>	<u>230,271</u>	<u>28,407</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(24,625)	(43,236)	2,657	45,893
<b>Other Financing Sources (Uses):</b>				
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>	(24,625)	(43,236)	<u>\$2,657</u>	<u>\$45,893</u>
Budgeted cash carryover	<u>24,625</u>	<u>43,236</u>		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$2,657
Adjustments for revenue accruals	5,226
Adjustments for expenditures accruals	(731)
<b>Net changes in fund balance</b>	<u>\$7,152</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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Charges for services	\$4,500	\$7,500	\$5,100	(\$2,400)
Other income	0	0	0	0
<i>Total revenues</i>	4,500	7,500	5,100	(2,400)
<b>EXPENDITURES</b>				
Current:				
Health and welfare	4,000	7,000	6,192	808
<i>Total expenditures</i>	4,000	7,000	6,192	808
<i>Excess (deficiency) of revenues over expenditures</i>	\$500	\$500	(\$1,092)	\$808

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$1,092)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	(864)
<b>Net changes in fund balance</b>	<b>(\$1,956)</b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
State grants	\$0	\$0	\$0	\$0
Charges for services	2,500	2,500	1,960	(540)
<i>Total revenues</i>	2,500	2,500	1,960	(540)
<b>EXPENDITURES</b>				
Current:				
Health and welfare	4,350	4,350	4,350	0
<i>Total expenditures</i>	4,350	4,350	4,350	0
<i>Excess (deficiency) of revenues over expenditures</i>	(1,850)	(1,850)	(2,390)	(\$540)
<i>Budgeted cash carryover</i>	1,850	1,850		
	\$0	\$0		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$2,390)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<b>(\$2,390)</b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Property tax	\$10,200	\$10,200	\$15,089	\$4,889
Intergovernmental revenue	13,300	13,300	20,711	7,411
Interest income	100	100	0	(100)
<i>Total revenues</i>	<u>23,600</u>	<u>23,600</u>	<u>35,800</u>	<u>12,200</u>
<b>EXPENDITURES</b>				
Current:				
General government	41,000	43,115	43,115	0
<i>Total expenditures</i>	<u>41,000</u>	<u>43,115</u>	<u>43,115</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(17,400)	(19,515)	(7,315)	12,200
<b>Other Financing Sources (Uses):</b>				
Operating transfers in (out)	25,000	25,000	25,000	0
<i>Total other financing sources (uses)</i>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$7,600</u>	<u>\$5,485</u>	<u>\$17,685</u>	<u>\$12,200</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$17,685
Adjustments for revenue accruals	(134)
Adjustments for expenditures accruals	2,115
<b>Net changes in fund balance</b>	<b><u>\$19,666</u></b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
State shared tax	\$150,000	\$150,000	\$152,780	\$2,780
State grants	0	0	0	0
Other	0	0	0	0
<i>Total revenues</i>	150,000	150,000	152,780	2,780
<b>EXPENDITURES</b>				
Current:				
Public safety	146,672	146,672	145,139	1,533
<i>Total expenditures</i>	146,672	146,672	145,139	1,533
<i>Excess (deficiency) of revenues over expenditures</i>	3,328	3,328	7,641	4,313
<b>Other Financing Sources (Uses):</b>				
Operating transfers in (out)	0	19,200	19,200	0
<i>Total other financing sources (uses)</i>	0	19,200	19,200	0
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	\$3,328	\$22,528	\$26,841	\$4,313

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$26,841
Adjustments for revenue accruals	13,156
Adjustments for expenditures accruals	1
<b>Net changes in fund balance</b>	<b>\$39,998</b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Intergovernmental revenue	\$675,000	\$675,000	\$627,908	(\$47,092)
Health care county support	337,500	337,500	35,416	(302,084)
Interest income	800	800	0	(800)
<i>Total revenues</i>	<u>1,013,300</u>	<u>1,013,300</u>	<u>663,324</u>	<u>(349,976)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	921,600	1,071,600	593,571	478,029
<i>Total expenditures</i>	<u>921,600</u>	<u>1,071,600</u>	<u>593,571</u>	<u>478,029</u>
<i>Excess (deficiency) of revenues over expenditures</i>	91,700	(58,300)	<u>\$69,753</u>	<u>\$128,053</u>
Budgeted cash carryover	0	58,300		
	<u>\$91,700</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$69,753
Adjustments for revenue accruals	(21,281)
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<b><u>\$48,472</u></b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Federal grants	\$25,000	\$25,000	\$23,858	(\$1,142)
State grants	34,600	37,000	32,245	(4,755)
Other income	100	100	76	(24)
<i>Total revenues</i>	<u>59,700</u>	<u>62,100</u>	<u>56,179</u>	<u>(5,921)</u>
<b>EXPENDITURES</b>				
Current:				
General government	77,371	79,771	40,368	39,403
<i>Total expenditures</i>	<u>77,371</u>	<u>79,771</u>	<u>40,368</u>	<u>39,403</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(17,671)	(17,671)	15,811	33,482
<b>Other Financing Sources (Uses):</b>				
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>	(471)	(471)	<u>\$33,011</u>	<u>\$33,482</u>
Budgeted cash carryover	0	0		
	<u>(\$471)</u>	<u>(\$471)</u>		
Budgetary - GAAP Reporting Reconciliation:				
Excess (deficiency) of revenues over expenditures and other financing sources (uses)			\$33,011	
Adjustments for revenue accruals			(1,707)	
Adjustments for expenditures accruals			251	
Net changes in fund balance			<u>\$31,555</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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
State shared taxes	\$33,970	\$33,970	\$38,195	\$4,225
Interest income	0	0	0	0
Federal grants	1,042,272	1,310,115	940,867	(369,248)
State grants/state sources	179,653	179,653	157,077	(22,576)
Other income	20,000	33,856	78,411	44,555
<i>Total revenues</i>	<u>1,275,895</u>	<u>1,557,594</u>	<u>1,214,550</u>	<u>(343,044)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	1,240,246	1,531,327	1,340,938	190,389
Capital outlay	36,082	57,826	39,913	17,913
<i>Total expenditures</i>	<u>1,276,328</u>	<u>1,589,153</u>	<u>1,380,851</u>	<u>208,302</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(433)	(31,559)	<u>(\$166,301)</u>	<u>(\$134,742)</u>
<i>Budgeted cash carryover</i>	433	31,559		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$166,301)
Adjustments for revenue accruals	(132,081)
Adjustments for expenditures accruals	80,058
<i>Net changes in fund balance</i>	<u>(\$218,324)</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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
State shared taxes	\$170,000	\$170,000	\$189,096	\$19,096
State grants	0	0	0	0
Charges for services	128,900	128,900	142,428	13,528
<i>Total revenues</i>	<u>298,900</u>	<u>298,900</u>	<u>331,524</u>	<u>32,624</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	250,104	280,104	235,760	44,344
<i>Total expenditures</i>	<u>250,104</u>	<u>280,104</u>	<u>235,760</u>	<u>44,344</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>\$48,796</u>	<u>\$18,796</u>	<u>\$95,764</u>	<u>\$76,968</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$95,764
Adjustments for revenue accruals	(3,986)
Adjustments for expenditures accruals	(318)
<u>Net changes in fund balance</u>	<u>\$91,460</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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Intergovernmental revenue	\$0	\$0	\$0	\$0
<i>Total revenues</i>	0	0	0	0
<b>EXPENDITURES</b>				
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
<b>Net changes in fund balance</b>	<b>\$0</b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Charges for services	\$101,000	\$101,000	\$131,050	\$30,050
Other	0	0	0	0
<i>Total revenues</i>	101,000	101,000	131,050	30,050
<b>EXPENDITURES</b>				
Current:				
General government	85,608	85,608	43,959	41,649
Capital outlay	0	0	0	0
<i>Total expenditures</i>	85,608	85,608	43,959	41,649
<i>Excess (deficiency) of revenues over expenditures</i>	15,392	15,392	87,091	71,699
<b>Other Financing Sources (Uses):</b>				
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>	\$15,392	\$15,392	\$87,091	\$71,699

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$87,091
Adjustments for revenue accruals	235
Adjustments for expenditures accruals	41
<b>Net changes in fund balance</b>	<b>\$87,367</b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Charges for services	\$27,000	\$27,000	\$34,328	\$7,328
<i>Total revenues</i>	<u>27,000</u>	<u>27,000</u>	<u>34,328</u>	<u>7,328</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,800	6,800	0	6,800
Capital outlay	35,000	35,000	6,514	28,486
<i>Total expenditures</i>	<u>41,800</u>	<u>41,800</u>	<u>6,514</u>	<u>35,286</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(14,800)	(14,800)	<u>\$27,814</u>	<u>\$42,614</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)	\$27,814
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<u>Net changes in fund balance</u>	<u>\$27,814</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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
State shared taxes	\$0	\$0	\$0	\$0
<i>Total revenues</i>	0	0	0	0
<b>EXPENDITURES</b>				
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
<b>Net changes in fund balance</b>	<b>\$0</b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Other income	\$41,600	\$41,600	\$38,880	(\$2,720)
<i>Total revenues</i>	41,600	41,600	38,880	(2,720)
<b>EXPENDITURES</b>				
Current:				
General government	32,075	32,075	15,269	16,806
Capital outlay	25,000	25,000	0	25,000
<i>Total expenditures</i>	57,075	57,075	15,269	41,806
<i>Excess (deficiency) of revenues over expenditures</i>	(15,475)	(15,475)	<u>\$23,611</u>	<u>\$39,086</u>
<i>Budgeted cash carryover</i>	15,475	15,475		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$23,611
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	(546)
<u>Net changes in fund balance</u>	<u>\$23,065</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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Federal grants	\$0	\$0	\$0	\$0
Interest income	0	0	0	0
State grants/state sources	183,988	183,988	192,043	8,055
Other income	0	0	100	100
<i>Total revenues</i>	<u>183,988</u>	<u>183,988</u>	<u>192,143</u>	<u>8,155</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	220,971	189,266	49,577	139,689
Capital outlay	416,146	324,056	30,302	293,754
<i>Total expenditures</i>	<u>637,117</u>	<u>513,322</u>	<u>79,879</u>	<u>433,443</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(453,129)	(329,334)	<u>\$112,264</u>	<u>\$441,598</u>
Budgeted cash carryover	453,129	329,334		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$112,264
Adjustments for revenue accruals	(125,646)
Adjustments for expenditures accruals	2,066
<u>Net changes in fund balance</u>	<u>(\$11,316)</u>

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

**COUNTY OF LUNA**  
**CAPITAL PROJECT FUNDS**  
**JUNE 30, 2016**

**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.

LCDC Addition (2015 Bond) – To account for 2015 bond proceeds to be used for capital improvements to the Luna County Detention Center. The authority to create this fund is by County ordinance.

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 FUNDS**  
**BALANCE SHEETS**  
**JUNE 30, 2016**

	LCDC Addition 2015 Bond	Local Infrastructure Capital Improvements Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$789,809	(\$11,188)	\$778,621
Investments	0	700,000	700,000
Accounts receivable	0	10,032	10,032
<b><i>Total assets</i></b>	<b>\$789,809</b>	<b>\$698,844</b>	<b>\$1,488,653</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Accounts payable	\$286,740	\$0	\$286,740
<b><i>Total liabilities</i></b>	<b>286,740</b>	<b>0</b>	<b>286,740</b>
<b>Fund Balance:</b>			
Restricted	503,069	0	503,069
Committed	0	698,844	698,844
<b><i>Total fund balance</i></b>	<b>503,069</b>	<b>698,844</b>	<b>1,201,913</b>
<b><i>Total liabilities and fund balance</i></b>	<b>\$789,809</b>	<b>\$698,844</b>	<b>\$1,488,653</b>

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

**COUNTY OF LUNA**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	LCDC Addition 2015 Bond	Local Infrastructure Capital Improvements Fund	Totals
<b>REVENUES</b>			
Charges for services	\$0	\$66,113	\$66,113
Gross receipts tax	0	38,195	38,195
<i>Total revenues</i>	0	104,308	104,308
<b>EXPENDITURES</b>			
<b>Current:</b>			
Capital outlay	456,976	2,224	459,200
<i>Total expenditures</i>	456,976	2,224	459,200
<i>Excess (deficiency) of revenues over expenditures</i>	(456,976)	102,084	(354,892)
<b>Other Financing Sources (Uses):</b>			
Transfers in	0	0	0
Transfers out	0	0	0
Capital transfers in (out)	0	0	0
<i>Total other financing sources (uses)</i>	0	0	0
<i>Net changes in fund balances</i>	(456,976)	102,084	(354,892)
Fund balance - beginning of year, as previously stated	0	596,760	596,760
Restatements	960,045	0	960,045
Fund balance - beginning of year, as restated	960,045	596,760	1,556,805
<b>Fund balance - end of year</b>	<b>\$503,069</b>	<b>\$698,844</b>	<b>\$1,201,913</b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental revenue	\$0	\$0	\$0	\$0
Interest income	0	0	0	0
Federal grants	186,230	225,879	73,185	(152,694)
State grants	863,402	1,163,402	378,767	(784,635)
Other	0	0	6,467	6,467
<i>Total revenues</i>	<u>1,049,632</u>	<u>1,389,281</u>	<u>458,419</u>	<u>(930,862)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
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	1,107,992	1,332,441	316,169	1,016,272
<i>Total expenditures</i>	<u>1,107,992</u>	<u>1,332,441</u>	<u>316,169</u>	<u>1,016,272</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(58,360)	56,840	142,250	85,410
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	0	0	0	0
Operating transfers (out)	0	(63,113)	(63,113)	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>(63,113)</u>	<u>(63,113)</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(58,360)	(6,273)	<u>\$79,137</u>	<u>\$0</u>
Budgeted cash carryover	<u>58,360</u>	<u>6,273</u>		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$79,137
Adjustments for revenue accruals	337,194
Adjustments for expenditures accruals	(12,063)
<b>Net changes in fund balance</b>	<b>\$404,268</b>

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

**COUNTY OF LUNA**  
**LCDC ADDITION 2015 BOND**  
**CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
State shared taxes	\$0	\$0	\$0	\$0
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Capital outlay	960,045	960,045	170,236	789,809
Bond costs	0	0	0	0
<i>Total expenditures</i>	<u>960,045</u>	<u>960,045</u>	<u>170,236</u>	<u>789,809</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(960,045)	(960,045)	<u>(\$170,236)</u>	<u>\$789,809</u>
<i>Budgeted cash carryover</i>	<u>960,045</u>	<u>960,045</u>		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$170,236)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	(286,740)
<b>Net changes in fund balance</b>	<b><u>(\$456,976)</u></b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
PILT	\$0	\$0	\$38,195	\$38,195
Charges for services - Starmax	33,970	33,970	66,113	32,143
<i>Total revenues</i>	<u>33,970</u>	<u>33,970</u>	<u>104,308</u>	<u>70,338</u>
<b>EXPENDITURES</b>				
Capital outlay	2,705	252,705	2,225	250,480
<i>Total expenditures</i>	<u>2,705</u>	<u>252,705</u>	<u>2,225</u>	<u>250,480</u>
<i>Excess (deficiency) of revenues over expenditures</i>	31,265	(218,735)	102,083	320,818
<b>Other Financing Sources (Uses):</b>				
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>	31,265	(218,735)	<u>\$102,083</u>	<u>\$320,818</u>
Budgeted cash carryover	0	218,735		
	<u>\$31,265</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$102,083
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	1
<b>Net changes in fund balance</b>	<u>\$102,084</u>

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

**COUNTY OF LUNA**  
**DEBT SERVICE FUNDS**  
**JUNE 30, 2016**

**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, 2016**

	Entertainment Complex Bond	GRT Revenue Bond Series 2015 A	Judicial Bond	LCDC Series 2015 Bond	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$707,205	\$899,839	\$735,873	\$0	\$2,342,917
Investments	0	0	0	0	0
Receivables:					
Due from other governments	333,466	0	62,250	0	395,716
Grants	0	0	0	0	0
Accounts receivable	0	0	0	0	0
Due from other funds	0	0	0	0	0
Interfund receivable	0	0	0	0	0
Restricted cash and cash equivalents	0	0	0	0	0
<b>Total assets</b>	<b>\$1,040,671</b>	<b>\$899,839</b>	<b>\$798,123</b>	<b>\$0</b>	<b>\$2,738,633</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable	\$0	\$0	\$0	\$0	\$0
Accrued salaries	0	0	0	0	0
Bank overdraft	0	0	0	0	0
Interest payable	87,459	0	72,849	0	160,308
Due to other funds	0	0	0	0	0
Deferred revenue	0	0	0	0	0
<b>Total liabilities</b>	<b>87,459</b>	<b>0</b>	<b>72,849</b>	<b>0</b>	<b>160,308</b>
<b>Fund Balance:</b>					
Nonspendable	0	0	0	0	0
Restricted	953,212	899,839	725,274	0	2,578,325
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
<b>Total fund balance</b>	<b>953,212</b>	<b>899,839</b>	<b>725,274</b>	<b>0</b>	<b>2,578,325</b>
<b>Total liabilities and fund balance</b>	<b>\$1,040,671</b>	<b>\$899,839</b>	<b>\$798,123</b>	<b>\$0</b>	<b>\$2,738,633</b>

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, 2016**

	Entertainment Complex Bond	GRT Revenue Bond Series 2015 A	Judicial Bond	LCDC Series 2015 Bond	Totals
<b>REVENUES</b>					
Taxes:					
Gross receipts	\$971,211	\$935,122	\$381,551	\$0	\$2,287,884
Intergovernmental:					
Federal operating sources	0	0	0	0	0
State operating sources	0	0	0	0	0
Federal capital sources					
State capital sources					
Charges for services	0	0	0	0	0
Interest income	0	0	0	0	0
Other income	0	0	0	0	0
<i>Total revenues</i>	<u>971,211</u>	<u>935,122</u>	<u>381,551</u>	<u>0</u>	<u>2,287,884</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government	0	0	0	0	0
Public safety	0	0	0	0	0
Health and welfare	0	0	0	0	0
Capital outlay	0	0	0	0	0
Debt service:					
Principal	450,000	0	140,000	0	590,000
Interest expense	177,610	35,283	145,697	0	358,590
<i>Total expenditures</i>	<u>627,610</u>	<u>35,283</u>	<u>285,697</u>	<u>0</u>	<u>948,590</u>
<i>Excess (deficiency) of revenues over expenditures</i>	343,601	899,839	95,854	0	1,339,294
<b>Other Financing Sources (Uses):</b>					
Bond proceeds	0	0	0	0	0
Transfers in	0	0	0	0	0
Transfers out	0	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net changes in fund balance</i>	343,601	899,839	95,854	0	1,339,294
Fund balance - beginning of year, as previously stated	609,611	0	629,420	960,045	2,199,076
Restatements	0	0	0	(960,045)	(960,045)
Fund balance - beginning of year, as restated	609,611	0	629,420	0	1,239,031
<b><i>Fund balance - end of year</i></b>	<b><u>\$953,212</u></b>	<b><u>\$899,839</u></b>	<b><u>\$725,274</u></b>	<b><u>\$0</u></b>	<b><u>\$2,578,325</u></b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
State shared taxes	\$685,000	\$685,000	\$756,383	\$71,383
<i>Total revenues</i>	685,000	685,000	756,383	71,383
<b>EXPENDITURES</b>				
Principal and interest	617,157	618,037	618,037	0
<i>Total expenditures</i>	617,157	618,037	618,037	0
<i>Excess (deficiency) of revenues over expenditures</i>	67,843	66,963	138,346	71,383
<b>Other Financing Sources (Uses):</b>				
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>	\$67,843	\$66,963	\$138,346	\$71,383

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$138,346
Adjustments for revenue accruals	214,828
Bond proceeds - directly to escrow/trust	0
Adjustments for expenditures accruals	(9,573)
<b>Net changes in fund balance</b>	<b>\$343,601</b>

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

**COUNTY OF LUNA**  
**GRT REVENUE BOND SERIES 2015 A**  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
State shared taxes	\$1,027,500	\$1,027,500	\$935,122	(\$92,378)
<i>Total revenues</i>	1,027,500	1,027,500	935,122	(92,378)
<b>EXPENDITURES</b>				
P & I requirements	300,000	300,000	35,283	264,717
<i>Total expenditures</i>	300,000	300,000	35,283	264,717
<i>Excess (deficiency) of revenues over expenditures</i>	727,500	727,500	899,839	172,339
<b>Other Financing Sources (Uses):</b>				
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>	\$727,500	\$727,500	\$899,839	\$172,339

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$899,839
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<b>Net changes in fund balance</b>	<b>\$899,839</b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
State shared taxes	\$340,000	\$340,000	\$378,191	\$38,191
<i>Total revenues</i>	340,000	340,000	378,191	38,191
<b>EXPENDITURES</b>				
Principal and interest	288,322	288,322	288,322	0
<i>Total expenditures</i>	288,322	288,322	288,322	0
<i>Excess (deficiency) of revenues over expenditures</i>	\$51,678	\$51,678	\$89,869	\$38,191

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$89,869
Adjustments for revenue accruals	3,360
Adjustments for expenditures accruals	2,625
<b>Net changes in fund balance</b>	<b>\$95,854</b>

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, 2016**

	Special Revenue	Capital Projects	Debt Service	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$2,357,782	\$778,621	\$2,342,917	\$5,479,320
Investments	1,500,000	700,000	0	2,200,000
Receivables:				
Due from other governments	294,147	0	395,716	689,863
Grants	461,447	0	0	461,447
Accounts receivable	0	10,032	0	10,032
Property tax receivable	99,935	0	0	99,935
Due from other funds	66,779	0	0	66,779
Interfund receivable	0	0	0	0
Restricted cash and cash equivalents	0	0	0	0
<b>Total assets</b>	<b>\$4,780,090</b>	<b>\$1,488,653</b>	<b>\$2,738,633</b>	<b>\$9,007,376</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$58,508	\$286,740	\$0	\$345,248
Accrued salaries	43,243	0	0	43,243
Accrued compensated absences - ST	0	0	0	0
Bank overdraft	0	0	0	0
Interest payable	0	0	160,308	160,308
Due to other funds	115,510	0	0	115,510
<b>Total liabilities</b>	<b>217,261</b>	<b>286,740</b>	<b>160,308</b>	<b>664,309</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	96,925	0	0	96,925
<b>Fund Balance:</b>				
Restricted	3,533,724	503,069	0	4,036,793
Committed	406,823	698,844	2,578,325	3,683,992
Assigned	525,357	0	0	525,357
Unassigned	0	0	0	0
<b>Total fund balance</b>	<b>4,465,904</b>	<b>1,201,913</b>	<b>2,578,325</b>	<b>8,246,142</b>
<b>Total liabilities and fund balance</b>	<b>\$4,780,090</b>	<b>\$1,488,653</b>	<b>\$2,738,633</b>	<b>\$9,007,376</b>

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, 2016

	Special Revenue	Capital Projects	Debt Service	Total
<b>REVENUES</b>				
Taxes:				
Property	\$187,418	\$0	\$0	\$187,418
Gross receipts	783,036	38,195	2,287,884	3,109,115
Gasoline and motor vehicle	0	0	0	0
Intergovernmental:				
Federal sources operating	859,921	0	0	859,921
Federal sources capital	0	0	0	0
State sources operating	2,579,546	0	0	2,579,546
State sources capital	0	0	0	0
Charges for services	202,483	66,113	0	268,596
Investment income	0	0	0	0
Other income	153,272	0	0	153,272
<i>Total revenues</i>	<u>4,765,676</u>	<u>104,308</u>	<u>2,287,884</u>	<u>7,157,868</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government	140,850	0	0	140,850
Public works	0	0	0	0
Public safety	1,808,391	0	0	1,808,391
Health and welfare	2,313,549	0	0	2,313,549
Culture and recreation	236,078	0	0	236,078
Debt service:				
Principal	0	0	590,000	590,000
Interest expense	0	0	358,590	358,590
Capital outlay	66,867	459,200	0	526,067
<i>Total expenditures</i>	<u>4,565,735</u>	<u>459,200</u>	<u>948,590</u>	<u>5,973,525</u>
<i>Excess (deficiency) of revenues over expenditures</i>	199,941	(354,892)	1,339,294	1,184,343
<b>Other Financing Sources (Uses):</b>				
Bond proceeds				
Transfers in	114,400	0	0	114,400
Transfers out	(8,685)	0	0	(8,685)
Capital transfers in (out)	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>105,715</u>	<u>0</u>	<u>0</u>	<u>105,715</u>
<i>Net changes in fund balances</i>	305,656	(354,892)	1,339,294	1,290,058
Fund balance - beginning of year, as previously stated	4,160,248	596,760	2,199,076	6,956,084
Restatements	0	960,045	(960,045)	0
<i>Fund balance - beginning of year, as restated</i>	<u>4,160,248</u>	<u>1,556,805</u>	<u>1,239,031</u>	<u>6,956,084</u>
<b>Fund balance - end of year</b>	<b><u>\$4,465,904</u></b>	<b><u>\$1,201,913</u></b>	<b><u>\$2,578,325</u></b>	<b><u>\$8,246,142</u></b>

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

**COUNTY OF LUNA**  
**ENTERPRISE FUNDS**  
**JUNE 30, 2016**

**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, 2016**

	Columbus Stockyard	Commissary	Totals
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$0	\$104,157	\$104,157
Accounts receivable	0	4,078	4,078
Due from other governments	0	0	0
Due from external sources	0	0	0
<i>Total current assets</i>	0	108,235	108,235
<b>Non-Current Assets</b>			
Capital assets	0	0	0
Accumulated depreciation	0	0	0
<i>Total non-current assets</i>	0	0	0
<b>Total assets</b>	<b>\$0</b>	<b>\$108,235</b>	<b>\$108,235</b>
<b>LIABILITIES AND FUND NET POSITION</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$0	\$0	\$0
Accrued salaries	0	0	0
Due to other funds	0	0	0
Long-term accrued compensated absences	0	0	0
<i>Total liabilities</i>	0	0	0
<b>Fund Net Position:</b>			
Net investment in capital assets	0	0	0
Unrestricted	0	108,235	108,235
<i>Total fund net position</i>	0	108,235	108,235
<b>Total liabilities and fund net position</b>	<b>\$0</b>	<b>\$108,235</b>	<b>\$108,235</b>

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, 2016**

	Columbus Stockyard	Commissary	Totals
<b>OPERATING REVENUES</b>			
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	45,860	45,860
<i>Total operating revenues</i>	0	45,860	45,860
<b>OPERATING EXPENDITURES</b>			
Personnel expenses	0	0	0
Depreciation	0	0	0
Other operating costs	0	17,983	17,983
<i>Total operating expenditures</i>	0	17,983	17,983
<i>Operating income (loss)</i>	0	27,877	27,877
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest revenue	0	0	0
<i>Net income (loss) before transfers</i>	0	27,877	27,877
<b>Other Financing Sources (Uses)</b>			
Operating transfers in (out)	0	0	0
<i>Change in net position</i>	0	27,877	27,877
Total fund net position, beginning of year, as previously stated	(347,934)	80,358	(267,576)
Restatements	347,934	0	347,934
<i>Total fund net position, beginning of year, as restated</i>	0	80,358	80,358
<b><i>Total fund net position, end of year</i></b>	<b>\$0</b>	<b>\$108,235</b>	<b>\$108,235</b>

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, 2016**

	Columbus Stockyard	Commissary	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$0	\$46,833	\$46,833
Cash payments to suppliers for goods and services	0	(17,983)	(17,983)
Cash payments to employees for services	0	0	0
<i>Net cash provided (used) by operating activities</i>	0	28,850	28,850
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Temporary loan - other funds	0	0	0
Cash received (paid) from intergovernmental sources	0	0	0
Net transfers in (out)	0	0	0
<i>Net cash provided (used) by non-capital and related financing activities</i>	0	0	0
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	0	0	0
<i>Net cash provided (used) by capital and related financing activities</i>	0	0	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest income	0	0	0
<i>Net cash provided (used) by investing activities</i>	0	0	0
<i>Net increase (decrease) in cash</i>	0	28,850	28,850
Cash and cash equivalents, beginning of year	0	75,307	75,307
<b><i>Cash and cash equivalents, end of year</i></b>	<b>\$0</b>	<b>\$104,157</b>	<b>\$104,157</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$0	\$27,877	\$27,877
Depreciation	0	0	0
Receivables	0	973	973
Accrued expenses and wages payable	0	0	0
Accounts payable	0	0	0
<b><i>Net cash provided (used) by operating activities</i></b>	<b>\$0</b>	<b>\$28,850</b>	<b>\$28,850</b>

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, 2016**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Charges for services	\$0	\$0	\$0	\$0
<i>Total revenues</i>	0	0	0	0
<b>EXPENDITURES</b>				
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
<b>Other Financing Sources (Uses):</b>				
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>	\$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
<b>Change in fund net position</b>	<b>\$0</b>

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, 2016

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Other income	\$25,000	\$25,000	\$46,833	\$21,833
<i>Total revenues</i>	25,000	25,000	46,833	21,833
<b>EXPENDITURES</b>				
Current:				
Operating expenditures	25,000	25,000	17,706	7,294
<i>Total expenditures</i>	25,000	25,000	17,706	7,294
<i>Excess (deficiency) of revenues over expenditures</i>	0	0	29,127	29,127
<b>Other Financing Sources (Uses):</b>				
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>	\$0	\$0	\$29,127	\$29,127

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$29,127
Adjustments for revenue accruals	(973)
Adjustments for expenditures accruals	(277)
Change in fund net position	\$27,877

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, 2016

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
State shared taxes	\$0	\$0	\$57,572	\$57,572
Charges for services	5,888,805	5,888,805	5,937,315	48,510
Interest income	0	0	0	0
Other income	0	0	3,999	3,999
<i>Total revenues</i>	<u>5,888,805</u>	<u>5,888,805</u>	<u>5,998,886</u>	<u>110,081</u>
<b>EXPENDITURES</b>				
Current:				
Personnel expenditures	3,986,026	4,076,026	3,884,195	191,831
Operating expenditures	1,835,497	1,882,213	1,460,793	421,420
Capital outlay	46,362	451,362	51,362	400,000
<i>Total expenditures</i>	<u>5,867,885</u>	<u>6,409,601</u>	<u>5,396,350</u>	<u>1,013,251</u>
<i>Excess (deficiency) of revenues over expenditures</i>	20,920	(520,796)	602,536	1,123,332
<b>Other Financing Sources (Uses):</b>				
Operating transfers in (out)	0	(18,000)	(18,000)	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>(18,000)</u>	<u>(18,000)</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	20,920	(538,796)	<u>\$584,536</u>	<u>\$1,123,332</u>
Budgeted cash carryover	0	538,796		
	<u>\$20,920</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$584,536
Adjustments for revenue accruals	(53,405)
Adjustments for expenditures accruals	339,747
<b>Change in fund net position</b>	<b>\$870,878</b>

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, 2016

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Charges for services	\$1,675,600	\$1,675,600	\$1,617,974	(\$57,626)
Other income	0	0	279	279
<i>Total revenues</i>	<u>1,675,600</u>	<u>1,675,600</u>	<u>1,618,253</u>	<u>(57,347)</u>
<b>EXPENDITURES</b>				
Current:				
Purchases for resale	756,705	886,705	829,932	56,773
Personnel expenditures	605,788	605,788	520,901	84,887
Operating expenditures	240,767	308,767	187,520	121,247
Capital outlay	660,077	529,748	148,352	381,396
<i>Total expenditures</i>	<u>2,263,337</u>	<u>2,331,008</u>	<u>1,686,705</u>	<u>644,303</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(587,737)	(655,408)	(68,452)	586,956
<b>Other Financing Sources (Uses):</b>				
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>	(587,737)	(655,408)	<u>(\$68,452)</u>	<u>\$586,956</u>
Budgeted cash carryover	587,737	655,408		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$68,452)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	(442,032)
Change in fund net position	<u>(\$510,484)</u>

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

OTHER SUPPLEMENTARY INFORMATION



# COUNTY OF LUNA

## AGENCY FUNDS

JUNE 30, 2016

### **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, 2016**

	Balance June 30, 2015	Increase	Decrease	Balance June 30, 2016
<b>TAXES COLLECTED FOR OTHERS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$201,848	\$2,635,314	\$2,641,251	\$195,911
Property taxes receivable	3,593,669	3,977,911	3,593,669	3,977,911
<b>Total assets</b>	<b>\$3,795,517</b>	<b>\$6,613,225</b>	<b>\$6,234,920</b>	<b>\$4,173,822</b>
<b>LIABILITIES</b>				
Due to other governmental agencies	\$3,712,806	\$6,585,468	\$6,194,314	\$4,103,960
Prepaid taxes	2,127	4,041	1,310	4,858
Overpayment of taxes	7,049	11,945	15,753	3,241
Taxes paid in advance	43,527	11,771	23,543	31,755
Due to taxpayers	30,008	0	0	30,008
<b>Total liabilities</b>	<b>\$3,795,517</b>	<b>\$6,613,225</b>	<b>\$6,234,920</b>	<b>\$4,173,822</b>
<b>INMATE ACCOUNTS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$75,888	\$513,588	\$416,266	\$173,210
Due from inmates	32,489	1,559	0	34,048
<b>Total assets</b>	<b>\$108,377</b>	<b>\$515,147</b>	<b>\$416,266</b>	<b>\$207,258</b>
<b>LIABILITIES</b>				
Due to inmates	\$10,423	\$415,534	\$416,266	\$9,691
Due to Luna County	25,033	1,165	0	26,198
Due to others	72,921	98,448	0	171,369
<b>Total liabilities</b>	<b>\$108,377</b>	<b>\$515,147</b>	<b>\$416,266</b>	<b>\$207,258</b>

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, 2016**

	Balance June 30, 2015	Increase	Decrease	Balance June 30, 2016
<b>TOTAL ASSETS AND LIABILITIES</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$277,736	\$3,148,902	\$3,057,517	\$369,121
Property taxes receivable	3,593,669	3,977,911	3,593,669	3,977,911
Due from inmates	32,489	1,559	0	34,048
<b>Total assets</b>	<b>\$3,903,894</b>	<b>\$7,128,372</b>	<b>\$6,651,186</b>	<b>\$4,381,080</b>
<b>LIABILITIES</b>				
Due to other governmental agency	\$3,712,806	\$6,585,468	\$6,194,314	\$4,103,960
Prepaid taxes	2,127	4,041	1,310	4,858
Overpayment of taxes	7,049	11,945	15,753	3,241
Taxes paid in advance	43,527	11,771	23,543	31,755
Due to taxpayers	30,008	0	0	30,008
Due to inmates	10,423	415,534	416,266	9,691
Due to Luna County	25,033	1,165	0	26,198
Due to others	72,921	98,448	0	171,369
<b>Total liabilities</b>	<b>\$3,903,894</b>	<b>\$7,128,372</b>	<b>\$6,651,186</b>	<b>\$4,381,080</b>

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

**COUNTY OF LUNA**  
**SCHEDULE OF LEGISLATIVE GRANTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Project	Agency	Grant #	Effective Date	Reversion Date	Original Amount
2013 Legislative Appropriation - HH	DFA	12-L-G-1454	09/05/12	06/30/16	\$50,000
Governor's Colonias Initiative	NMFA	CI-2802	07/01/15	06/30/16	173,000
2015 Colonias Rockhound	NMFA	CI-3174	05/14/15	06/30/16	424,386
<b><i>Grand totals</i></b>					<b>\$647,386</b>

**COUNTY OF LUNA**  
**SCHEDULE OF LEGISLATIVE GRANTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Project	Arts in Public Places	Net Amount	Expenditures to Date	Reverted	Remaining
Domestic Violence Shelter Repairs	\$0	\$50,000	\$49,927	\$73	\$0
Racetrack Road - Road Drainage	0	173,000	169,577	3,423	0
Rockhound Road - Flood & Drain Control	0	424,386	424,386	0	0
<b><i>Grand totals</i></b>	<b>\$0</b>	<b>\$647,386</b>	<b>\$643,890</b>	<b>\$3,496</b>	<b>\$0</b>

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, 2016

	First New Mexico Bank	Wells Fargo Bank
Total amount of deposits	\$13,304,951	\$573,201
Less FDIC coverage	(250,000)	(250,000)
Total uninsured public funds	13,054,951	323,201
Collateral requirement 50%	6,527,476	161,600
Type of Security		
<u>Security Number</u>	<u>CUSIP Number</u>	<u>Maturity Date</u>
FHLB	31338OGJO	9/9/2022
Alamogordo, NM	01145OCR2	8/1/2021
DEL	245379YN6	6/1/2025
FHLB	3130A1XJ2	6/14/2024
FHBL	3130A3VC5	12/8/2023
FFCB	3133ECD50	12/28/2023
Fannie Mae Fed Home Ln. Mtg. Pool	3.5%	3138AYHL6
		2/1/2042
Fannie Mae Fed Home Ln. Mtg. Pool	3.5%	3138ELHM8
		6/1/2043
<i>Total pledged securities</i>	6,657,224	356,151
<b><i>Over (under) pledged</i></b>	<b>\$129,748</b>	<b>\$194,551</b>

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

**COUNTY OF LUNA**  
**SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS**  
**JUNE 30, 2016**

Financial Institution: Account Name	Type of Account	Bank Balance	(Checks) Deposits	Book Balance
<b>CASH</b>				
<u>First New Mexico Bank</u>				
Treasurer	Demand	\$1,160,203	(\$490,910)	\$669,293
General	Demand	9,373,110	0	9,373,110
Starmax Account	Demand	3,380	0	3,380
CDBG Grant	Demand	100	0	100
Detention Center Accounts:				
Inmate Account	Demand	1,223	(737)	486
Inmate Account	Demand	194,304	(36,089)	158,215
Inmate Account	Demand	394	0	394
Inmate Account	Demand	13,376	0	13,376
Flex Account	Demand	2,263	0	2,263
<u>Wells Fargo Bank</u>				
Treasurer	Demand	573,201	0	573,201
<i>Total bank and book balance</i>		11,321,554	(527,736)	10,793,818
Cash held by Trustee:				
State Treasurer - D/S NMFA	Demand	36,561	0	36,561
State Treasurer - Reserve NMFA	Demand	88,378	0	88,378
State Treasurer - Program NMFA	Demand	567,061	0	567,061
<i>Total held with trustee</i>		692,000	0	692,000
<b>INVESTMENTS</b>				
<u>Wells Fargo Securities, Inc.</u>				
Money Market Funds	Investment	2,513,519	0	2,513,519
Bonds	Investment	8,012,639	0	8,012,639
Money Market Funds	Investment	43,080	0	43,080
Bonds	Investment	5,146,396	0	5,146,396
<i>Total investments</i>		15,715,634	0	15,715,634
Petty cash on hand		0	8,223	8,223
<b><i>Total cash and investments</i></b>		<b>\$27,729,188</b>	<b>(\$519,513)</b>	<b>\$27,209,675</b>

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, 2016**

Property taxes receivable, beginning of year	\$8,265,317
<hr/>	
Changes to tax roll:	
Net taxes charged to Treasurer for fiscal year	13,895,083
Adjustments:	
Decrease in property tax receivable	(158,131)
<i>Total taxes charged to Treasurer for fiscal year</i>	<i>13,736,952</i>
<hr/>	
Total receivables before collections	22,002,269
Collections for fiscal year June 30, 2016	13,564,785
<hr/>	
<b>Property taxes receivable, end of year</b>	<b>\$35,567,054</b>
<hr/> <hr/>	
Property taxes receivable by years:	
2006-2014	\$6,969,881
2015	1,467,603
<hr/>	
<b>Total taxes receivable</b>	<b>\$8,437,484</b>
<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, 2016**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year-End	County Receivable at Year-End
<b>LUNA COUNTY</b>									
<b>General Advalorem</b>									
2006-2014	\$46,509,805	\$346,827	\$43,974,745	\$346,827	\$43,974,745	\$2,535,060	\$2,535,060	\$0	\$2,535,060
2015	6,079,575	5,802,781	5,802,781	5,802,781	5,802,781	276,744	276,744	0	276,744
<b>Total General Advalorem</b>	<b>52,589,380</b>	<b>6,149,608</b>	<b>49,777,526</b>	<b>6,149,608</b>	<b>49,777,526</b>	<b>2,811,804</b>	<b>2,811,804</b>	<b>0</b>	<b>2,811,804</b>
<b>Non-Rendition Fees</b>									
2006-2014	241,959	3,403	204,318	3,403	204,318	37,641	37,641	0	37,641
2015	43,960	38,037	38,037	38,037	38,037	5,923	5,923	0	5,923
<b>Total Non-Rendition Fees</b>	<b>285,919</b>	<b>41,440</b>	<b>242,355</b>	<b>41,440</b>	<b>242,355</b>	<b>43,564</b>	<b>43,564</b>	<b>0</b>	<b>43,564</b>
<b>Road Levy</b>									
2006-2014	6,144,015	64,908	4,897,493	64,908	4,897,493	1,246,523	1,246,523	0	1,246,523
2015	861,899	560,589	560,589	560,589	560,589	301,310	301,310	0	301,310
<b>Total Road Levy</b>	<b>7,005,914</b>	<b>625,497</b>	<b>5,458,082</b>	<b>625,497</b>	<b>5,458,082</b>	<b>1,547,833</b>	<b>1,547,833</b>	<b>0</b>	<b>1,547,833</b>
<b>Predator Control</b>									
2006-2014	107,358	270	107,071	270	107,071	287	287	0	287
2015	17,792	14,819	14,819	14,819	14,819	2,973	2,973	0	2,973
<b>Total Predator Control</b>	<b>125,150</b>	<b>15,089</b>	<b>121,890</b>	<b>15,089</b>	<b>121,890</b>	<b>3,260</b>	<b>3,260</b>	<b>0</b>	<b>3,260</b>
<b>Re-Appraisal Program</b>									
2006-2014	1,012,902	22,140	974,189	22,140	974,189	38,713	38,713	0	38,713
2015	139,941	125,543	125,543	125,543	125,543	14,398	14,398	0	14,398
<b>Total Re-Appraisal Program</b>	<b>1,152,843</b>	<b>147,683</b>	<b>1,099,732</b>	<b>147,683</b>	<b>1,099,732</b>	<b>53,111</b>	<b>53,111</b>	<b>0</b>	<b>53,111</b>
<b>Total Luna County</b>	<b>\$61,159,206</b>	<b>\$6,979,317</b>	<b>\$56,699,585</b>	<b>\$6,979,317</b>	<b>\$56,699,585</b>	<b>\$4,459,572</b>	<b>\$4,459,572</b>	<b>\$0</b>	<b>\$4,459,572</b>
<b>OTHER TAX</b>									
<b>Livestock</b>									
2006-2014	\$393,224	\$790	\$374,635	\$785	\$374,058	\$18,589	\$18,589	\$577	\$18,589
2015	67,869	66,113	66,113	64,976	64,976	1,756	1,756	1,137	1,756
<b>Total Livestock</b>	<b>461,093</b>	<b>66,903</b>	<b>440,748</b>	<b>65,761</b>	<b>439,034</b>	<b>20,345</b>	<b>20,345</b>	<b>1,714</b>	<b>20,345</b>
<b>State Levy</b>									
2006-2014	5,770,775	80,727	5,513,557	77,737	5,498,212	257,218	257,218	15,344	257,218
2015	770,733	714,226	714,226	704,375	704,375	56,507	56,507	9,851	56,507
<b>Total State Levy</b>	<b>6,541,508</b>	<b>794,953</b>	<b>6,227,783</b>	<b>782,112</b>	<b>6,202,587</b>	<b>313,725</b>	<b>313,725</b>	<b>25,195</b>	<b>313,725</b>
<b>Total Other Taxes</b>	<b>\$7,002,601</b>	<b>\$861,856</b>	<b>\$6,668,531</b>	<b>\$847,873</b>	<b>\$6,641,621</b>	<b>\$334,070</b>	<b>\$334,070</b>	<b>\$26,909</b>	<b>\$334,070</b>

**COUNTY OF LUNA**  
**COUNTY TREASURER'S PROPERTY TAX SCHEDULE**  
**JUNE 30, 2016**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year-End	County Receivable at Year-End
<b>SCHOOL DISTRICTS</b>									
<b>Deming Public Schools</b>									
2006-2014	\$35,539,953	\$275,089	\$32,978,996	\$256,791	\$32,885,763	\$2,560,957	\$2,560,957	\$93,233	\$2,560,957
2015	4,949,205	4,241,018	4,241,018	417,776	4,177,761	708,187	708,187	63,257	708,187
<i>Total Deming Public Schools</i>	<b>40,489,158</b>	<b>4,516,107</b>	<b>37,220,014</b>	<b>674,567</b>	<b>37,063,524</b>	<b>3,269,144</b>	<b>3,269,144</b>	<b>156,490</b>	<b>3,269,144</b>
<b>Total School Districts</b>	<b>\$40,489,158</b>	<b>\$4,516,107</b>	<b>\$37,220,014</b>	<b>\$674,567</b>	<b>\$37,063,524</b>	<b>\$3,269,144</b>	<b>\$3,269,144</b>	<b>\$156,490</b>	<b>\$3,269,144</b>
<b>MUNICIPALITIES</b>									
<b>Municipalities</b>									
2006-2014	\$6,572,093	\$72,387	\$6,297,236	\$63,979	\$6,266,387	\$274,857	\$274,857	\$30,849	\$274,857
2015	1,231,261	1,131,510	1,131,510	1,125,835	1,125,835	99,751	99,751	5,675	99,751
<i>Total Municipalities</i>	<b>7,803,354</b>	<b>1,203,897</b>	<b>7,428,746</b>	<b>1,189,814</b>	<b>7,392,222</b>	<b>374,608</b>	<b>374,608</b>	<b>36,524</b>	<b>374,608</b>
<b>Caballo SWCD</b>									
2006-2014	10,983	1	10,947	1	10,947	36	36	0	36
2015	3,661	3,607	3,607	3,607	3,607	54	54	0	54
<i>Total Caballo SWCD</i>	<b>14,644</b>	<b>3,608</b>	<b>14,554</b>	<b>3,608</b>	<b>14,554</b>	<b>90</b>	<b>90</b>	<b>0</b>	<b>90</b>
<b>Total Municipalities</b>	<b>\$7,817,998</b>	<b>\$1,207,505</b>	<b>\$7,443,300</b>	<b>\$1,193,422</b>	<b>\$7,406,776</b>	<b>\$374,698</b>	<b>\$374,698</b>	<b>\$36,524</b>	<b>\$374,698</b>
<b>GRAND TOTALS</b>	<b>\$116,468,963</b>	<b>\$13,564,785</b>	<b>\$108,031,430</b>	<b>\$9,695,179</b>	<b>\$107,811,506</b>	<b>\$8,437,484</b>	<b>\$8,437,484</b>	<b>\$219,923</b>	<b>\$8,437,484</b>
Governmental Activities									\$4,459,572
Agency Funds									3,977,912
									<b>\$8,437,484</b>

## COUNTY OF LUNA

### SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by Agency Staff Name: Joanne C. Hethcox

Title: Budget and Procurement Director Date: October 12, 2016

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
Bid 104-01	Bid	Multi-Award: Hobbs Brothers Inc. and Deming Sand and Gravel	Varies by type of rock	N/A	Russell Sand & Gravel Co, PO Box 296; Los Ojos, NM 87551	No	No	Purchase of Rock/Gravel Materials
					Southwest Concrete & Paving, PO Box 2278, Silver City, NM 88062	No	No	
					Mountain States Constructors, 3601 Pan Amer Frwy NE #111, Albuquerque, NM 87107	No	No	

**COUNTY OF LUNA**  
**SCHEDULE OF JOINT POWERS AGREEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Participants	Responsible Party for Operations	Descriptions	Beginning and Ending dates	Total Estimated Amount of Project	Contribution 6/30/2016	Audit Responsibility	Revenues and Expenditures Reported on:
Village of Columbus	Luna County	Multi Service Agreement	July 1, 2014 June 30, 2015	N/A	\$74,000	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, 2016**

Federal Grantor/Program Title	Federal CFDA Number or Agency Prefix	Project Number	Award Amount	Accrued or (Deferred) Revenue at June 30, 2015	Prior Period Restatement	Receipts	Expenditures	Accrued or (Deferred) Revenue at June 30, 2016
<b><u>U.S. Department of Housing and Urban Development</u></b>								
<b>Passed through New Mexico</b>								
<b>Mortgage Finance Authority</b>								
Emergency Homeless Assistance	14.231	14-02-HLH-EHA-001	\$23,387	\$750	\$0	(\$750)	\$18,454	\$18,454
<i>Total U.S. Department of Housing and Urban Development</i>			\$23,387	\$750	\$0	(\$750)	\$18,454	\$18,454
<b><u>U.S. Department of Interior</u></b>								
<b>Passed through BLM - NM</b>								
Integrated Weed Management	15.230	L15AC00133	\$24,000	\$0	\$0	\$0	\$24,000	\$24,000
<b>Passed through NM Association of Counties</b>								
Illegal Dumping Assistance	15.225		25,000	0	0	(23,858)	23,858	0
<i>Total U.S. Department of Interior</i>			\$49,000	\$0	\$0	(\$23,858)	\$47,858	\$24,000
<b><u>U.S. Department of Health and Human Services</u></b>								
<b>Passed through Optum Health - NM</b>								
PFS II Strategy Prevention	93.243	FY16	137,526	0	0	(78,234)	99,633	21,399
PFS II Strategy Prevention	93.243	FY15	128,806	12,528	0	(13,839)	1,311	0
BHSD SAPT Block Grant	93.959	FY15	21,300	10,083	0	(21,300)	11,217	0
BHSD SAPT Block Grant	93.959	FY16	7,675	0	0	0	7,115	7,115
<i>Total U.S. Department of Health and Human Services</i>			\$295,307	\$22,611	\$0	(\$113,373)	\$119,276	\$28,514
<b><u>U.S. Department of Justice</u></b>								
VOCA	16.575	2015-VA-418	39,295	0	0	(17,841)	28,087	10,246
VOCA - CASA	16.575	2015-VA-417	51,313	0	0	(27,589)	33,366	5,777
VOCA - CASA	16.575	2015-VA-317	26,877	5,941	0	(12,456)	6,515	0
VOCA	16.575	2015-VA-318	19,300	4,050	0	(8,668)	4,618	0
VAWA	16.588	2013-WF-AX-0039	35,000	5,987	0	(5,987)	0	0
VAWA	16.588	2016-WF-217	35,000	0	0	(30,111)	34,627	4,516
Justice Assistance Grant Bullet Proof Vest Ptrn.	16.738	2013	5,640	0	0	(3,905)	3,905	0
Hiring Program Grant - COPS	16.710	2012 UNMWX0139	250,000	16,321	0	(62,643)	63,239	16,917
<i>Total U.S. Department of Justice</i>			\$462,425	\$32,299	\$0	(\$169,200)	\$174,357	\$37,456

**COUNTY OF LUNA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Federal Grantor/Program Title	Federal CFDA Number or Agency Prefix	Project Number	Award Amount	Accrued or (Deferred) Revenue at June 30, 2015	Prior Period Restatement	Receipts	Expenditures	Accrued or (Deferred) Revenue at June 30, 2016
<b><u>U.S. Department of Homeland Security</u></b>								
<b>Passed through Department of Homeland Security and Emergency Management</b>								
<b><u>FEMA</u></b>								
Emergency Food and Shelter Program	97.024	31-6080-00009	\$7,000	\$0	\$0	(\$7,000)	\$7,000	\$0
Emergency Mgt. Performance Grant Program	97.042	EMW-2014-EP-00047-S01	15,738	0	4,115	(4,364)	249	0
Emergency Mgt. Performance Grant Program	97.042	EMW-2015-EP-00066-S01	15,649	0	0	(11,347)	15,373	4,026
State Homeland Security Grant Program	97.067	EMW-2013-SS-00152-S01 Per Diem	5,000	434	0	(434)	0	0
State Homeland Security Grant Program	97.067	EMW-2014-SS-00030-S01	68,520	0	0	(55,470)	55,470	0
Operation Stonegarden	97.067	EMW-2014-00030-S01	860,349	0	0	(309,604)	609,728	300,124
Operation Stonegarden	97.067	EMW-2013-SS-00152-S01	950,349	255,769	0	(365,928)	110,159	0
<i>Total U.S. Department of Homeland Security</i>			\$1,922,605	\$256,203	\$4,115	(\$754,147)	\$797,979	\$304,150
<b><u>U.S. Department of Transportation</u></b>								
<b>Passed through State of New Mexico</b>								
<b>Department of Transportation</b>								
ENDWI	20.608	16-AL-64-060	\$6,580	\$0	\$0	(\$2,922)	\$4,592	\$1,670
STEP	20.616	16-ST-OSD-060	18,042	0	0	(14,575)	15,940	1,365
ODWI - DOT Alcohol Counter Measures	20.608	15-AL-64-060	12,160	3,132	0	(7,903)	4,771	0
<i>Total U.S. Department of Transportation</i>			\$36,782	\$3,132	\$0	(\$25,400)	\$25,303	\$3,035
<i>Total Expenditures of Federal Awards</i>			\$2,789,506	\$314,995	\$4,115	(\$1,086,728)	\$1,183,227	\$415,609

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, 2016

**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 County Manager and County 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, 2016, 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 31, 2016.

**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  
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County of Luna  
Deming, New Mexico  
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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 and 2014-006

### **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 2016-001, 2016-002, 2016-003, 2009-001, and 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 31, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

We have audited the County of Luna's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Luna's major federal programs for the year ended June 30, 2016. 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 the 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 the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 the County of Luna's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the 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, 2016.

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

Management of the 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 the 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Kriegel/Gray/Shaw & Co., P.C.  
Las Cruces, New Mexico  
October 31, 2016

**COUNTY OF LUNA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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:

\$750,000

Auditee qualified as low-risk auditee?

X  Yes    \_\_\_\_\_ No

**COUNTY OF LUNA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

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**CURRENT YEAR FINDINGS:**

**2016-001 Lack of Remote Receipting Internal Controls – Findings that do not rise to the level of a significant deficiency.**

**Statement of Condition** – During grant receipt test work, three of 25 receipts (totaling \$20,430) tested did not have proper supporting documentation. During accounts receivable test work, we identified three receipts that took longer than one month to deposit (cash and checks) which were received remotely. One of these receipts did not agree with the supporting documentation that was attached.

**Criteria** – Good internal controls require that funds received be deposited in a timely manner and that funds received are accurately documented.

**Cause** – Grant receipts and other receipts collected at remote locations do not have controls in place to ensure all of the money and proper documentation is delivered to the treasurer’s office on a timely basis.

**Effect** – Potential for some funds received to not be deposited. Potential for checks collected to not clear the bank when finally deposited.

**Recommendation** – Procedures should be put in place that require all remote receipts to be taken to the treasurer’s office the next business day after receipt along with all accurate supporting documentation.

**Management’s Response** – County Manager will issue an internal policy by December 31, 2016 to require all receipts of cash, checks, or payment advices (ACH) gathered at remote locations be given to the Budget and Procurement Director to ensure proper placement of funds into the correct line items and to be deposited with the Treasurers’ office in a timely manner.

**COUNTY OF LUNA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

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**CURRENT YEAR FINDINGS (CONTINUED):**

**2016-002 Large Purchases not Procured – Compliance**

**Statement of Condition** – During test work, we noted the following procurement exceptions:

Food purchase for the Entertainment Complex were not procured.

- Vistar Corporations purchases during the year totaling \$67,380 were not procured FY 2016

Road materials were not procured nor was there documentation to support that it would qualify as a sole source procurement. Quotes were received from only one vendor.

**Criteria** – The following is a requirement that all governmental agencies supported by public funds must comply with:

- Procurement requirements (NMSA 13-1-30): “Except as otherwise provided in the Procurement Code [13-1-28 NMSA 1978] that code shall apply to every expenditure by state agencies and local public bodies for the procurement of items of tangible personal property, services and construction ... When a procurement involves the expenditure of federal funds, the procurement shall be conducted in accordance with mandatory applicable federal law and regulations.”

**Cause** – Fail to recognize requirement to procure purchases over \$60,000. Road projects near year end caused the purchases to exceed the \$60,000 procurement limit.

**Effect** – The County potentially did not get the lowest price because the purchases were not procured. Non compliance with state procurement requirements.

**Recommendation** – Develop procedures to identify purchases subject to procurement during the fiscal year.

**Management’s Response** – Management acknowledges that purchases made through Vistar Corporation exceeded the \$60,000 procurement limit and failed to realize that those purchases had accumulated to that level. Concession sales are in direct correlation to movie releases and Starmax had not purchased to that limit in prior years, nor realized the potential to exceed prior years purchasing. Logistically, it is very difficult to get product delivered on a timely basis to our facility. Other vendors were contacted throughout the year did not deliver on a weekly basis in our rural area as required by our facility. We would have had to pick up product thereby using additional resources to have the inventory on hand as needed.

Budget and Procurement Director will run vendor report mid-year (beginning January 1, 2017) to potential vendors which may exceed the procurement limit of \$60,000 as required by Statute and adjust spending, enter into or utilize contracts as necessary.

**COUNTY OF LUNA**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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SECTION II – FINANCIAL STATEMENT FINDINGS

---

**CURRENT YEAR FINDINGS (CONTINUED):**

**2016-003 Improper Use of Fire Protection 1/4% GRT Funds – Other Non Compliance**

**Statement of Condition** – The County expended fire protection funds for stipends paid for fire duties through a special payroll once per month. The total amount charged to the fire protection fund for FY 2016 was \$50,139.

**Criteria** – NM Statute 7-20E-16 regarding fire protection excise tax states that “... no part of any distribution shall be used to pay any salary compensation or remuneration to any employee of the state, the county or the independent fire districts.”

**Cause** – Lack of clear understanding of allowed disbursements from fire protection excise tax.

**Effect** – Non compliance with state requirements for disbursement of fire funds.

**Recommendation** – The County should familiarize themselves with the allowable use of fire protection excise tax.

**Management’s Response** – Management was unaware of NM Statute 7-20E regarding the use of fire protection excise tax and immediately made the changes necessary to stop the use of the GRT for the payment of stipends for our VFD Fire Chiefs.



**COUNTY OF LUNA**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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SECTION II – FINANCIAL STATEMENT FINDINGS

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**CURRENT STATUS ON PRIOR YEAR FINDINGS:**

**2015-001 Lack of Proper Cash Reconciliation – Significant Deficiency**

Repeated with modification.

**Statement of Condition** – Although cash reconciliations have been performed, the reconciled cash balance for the bank accounts do not agree to the pooled cash totals by fund. The County has made good progress with cash reconciliations but additional steps are needed.

**Criteria** – Good internal controls require a monthly reconciliation between the bank statement and general ledger. Journal entry posting should also be reviewed to ensure all journal entries posted to the funds are considered in the bank reconciliations.

**Cause** – 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** – Cash should be reconciled directly to the general ledger and the combined cash accounts in each fund through pooled cash. Triadic system cash balances should be adjusted after year end to audited balances.

**Management's Response** – The County Manager and Treasurer are continuing work with an outside CPA firm to make corrections to our processes and procedures to ensure our cash balances and the Traidic system are accurate by June 30, 2017.

**COUNTY OF LUNA**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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SECTION II – FINANCIAL STATEMENT FINDINGS

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**CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):**

**2015-002 Internal Control over Gift Cards – Other Matters**

Resolved and not repeated.

**2015-003 Pledged Collateral – Compliance**

Resolved and not repeated.

**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.

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

**Cause** – Lack of communication with Triadic to properly maintain depreciation schedule.

**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.

**Management's Response** – Management recognizes the challenges with accurately accounting for fixed assets and continues to work with Triadic to input prior year adjustments and remove duplicate assets in the system. Accounts Payable/Fixed Assets Specialist will continue to work towards getting the depreciation schedule correct and accurate by June 30, 2017.

**COUNTY OF LUNA**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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SECTION II – FINANCIAL STATEMENT FINDINGS

---

**CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):**

**2013-003 Inventory-Road Department – Significant Deficiency**

Resolved and not repeated.

**2009-001 Designated Cash Exceeded Available Balance – Other Non Compliance**

Repeated with modification.

**Statement of Condition** – The County expenditure budget exceeded the available projected revenues and cash carryover balance in the following fund:

- KLCB            (\$471)

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** – Beginning cash balances were uncertain due to FY 15 reconciling issues.

**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** – Management will continue to monitor the budgeted revenues and expenditures to ensure that expenditures do not exceed expected revenue and cash carryovers. Anticipated beginning cash balance was unreconciled at budget preparation and although new revenues were received, those revenues were not put into the revenue budget as necessary to prevent the appearance of over expenditure and unintentional temporary loan from general fund. When new revenues are received, budget adjustments will be prepared and entered into our accounting system allowing for the adjustment of both revenues and expenditures. Budget and Procurement Director will insure correction immediately.

**COUNTY OF LUNA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

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**CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):**

**2008-002 Legal Compliance with Budget – Other Non 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:

<u>Fund</u>	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Over Expended</u>
Domestic Violence Shelter	\$278,177	\$287,666	\$9,489

This condition was resolved from prior year as related to the Entertainment Complex; although the Domestic Violence Shelter has over expended their budget in FY 2016.

**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** – Communication problems resulting from the transition to a new director.

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

**Recommendation** – Each department/program should monitor their budget status and communicate regularly with the budget director.

**Management’s Response** – Budget Director will review actual expenditures and encumbrances to monitor expenditures more closely and will report to County Manager any budgets that are in jeopardy of over-expending the allowed and approved budget. Budget Director shall also communication to any department/program director any concerns regarding individual department budgets. No purchases will be authorized which will over-expend a department line item budget without a budget adjustment in place to relieve any deficiencies. The process noted will be implemented by November 30, 2016.

**COUNTY OF LUNA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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

None.

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

None.

**COUNTY OF LUNA**  
**EXIT CONFERENCE**  
**JUNE 30, 2016**

**EXIT CONFERENCE:**

The exit conference was held October 31, 2016 and was attended by the following:

**From County of Luna:**

Ira Pearson, County Manager  
R. Javier Diaz, Commission Member  
Joanne Hethcox, Budget & Procurement Director  
Dora Madrid, 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.