



**STATE OF NEW MEXICO
RIO ARRIBA COUNTY**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015**

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INTRODUCTORY SECTION

STATE OF NEW MEXICO

Rio Arriba County

Table of Contents

June 30, 2015

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Table of Contents		4-5
Official Roster		7
FINANCIAL SECTION		
Independent Auditors' Report		10-12
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	A-1	14-15
Statement of Activities	A-2	16-17
Fund Financial Statements:		
Balance Sheet – Governmental Funds	B-1	18-19
Reconciliation of the Balance Sheet to the Statement of Net Position		21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-2	22-23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		25
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund	C-1	26
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Indigent Special Revenue Fund	C-2	27
Statement of Fiduciary Assets and Liabilities-Agency Funds	D-1	29
Notes to Financial Statements		32-70
REQUIRED SUPPLEMENTARY INFORMATION		
	<u>Schedule</u>	
Schedule of County's Proportionate Share of the Net Pension Liability of PERA Fund Municipal General Division	I	72
Schedule of County's Proportionate Share of the Net Pension Liability of PERA Fund Municipal Police Division	I	73
Schedule of Rio Arriba County's Contributions - Municipal General Division	II	74
Schedule of Rio Arriba County's Contributions - Municipal Police Division	II	75
SUPPLEMENTARY INFORMATION		
	<u>Statement</u>	
Nonmajor Fund Descriptions		79-85
Combining and Individual Fund Statements:		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	86-93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	94-101
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Special Revenue Funds:		
Jail Operations	B-1	103
Solid Waste	B-2	104
County Property Evaluation	B-3	105
County Road Projects	B-4	106
Emergency Communication/EMS	B-5	107
Farm and Range Improvement	B-6	108
Law Enforcement	B-7	109
Lodgers' Tax Act	B-8	110

STATE OF NEW MEXICO

Rio Arriba County

Table of Contents

June 30, 2015

SUPPLEMENTARY INFORMATION-(continued)

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget

(Non-GAAP Budgetary Basis) and Actual (continued):

Special Revenue Funds (continued)

Recreation

Statement

Page

B-9

111

Senior Citizen Program

B-10

112

County Fire Protection

B-11

113

Clerk’s Recording and Filing Fees

B-12

114

Correctional Facility

B-13

115

DWI Grants

B-14

116

Fire Department Funds

B-15

117

EMS Funds

B-16

118

New Mexico State Library

B-17

119

Forest Reserve Title III

B-18

120

NMCF Regional Food Hub/ Sostenga Kitchen

B-19

121

Summer Food Program

B-20

122

SCAAP

B-21

123

Sheriff Grants

B-22

124

NM Youth Conservation Corps Program

B-23

125

NM Youth Alliance

B-24

126

DOH CHI CNS Grants

B-25

127

Behavioral Health Grants

B-26

128

Dept of Homeland Security & Emergency Management

B-27

129

RAJJB

B-28

130

Inmate Evercom Phone

B-29

131

Capital Projects Funds :

Senior Appropriations

B-30

132

Landfill Closure

B-31

133

Fire District Bond Funds

B-32

134

EMS Bond Fund

B-33

135

County Funded Capital Projects

B-34

136

Debt Service Funds

B-35

137

Schedule

SUPPORTING SCHEDULES

Schedule of Collateral Pledged by Depository for Public Funds

III

140-141

Schedule of Deposit and Investment Accounts

IV

142-143

Tax Roll Reconciliation-Changes in Property Taxes Receivable

V

145

Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds

VI

147

Schedule of Vendor Information for Purchases Exceeding \$60,000

VII

148-149

(excluding GRT)

COMPLIANCE SECTION

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*

152-153

FEDERAL FINANCIAL ASSISTANCE

Independent Auditors’ Report on Compliance for Each Federal Major

Program and Report on Internal Control Over Compliance

VIII

156-157

Schedule of Expenditures of Federal Awards

VIII

158-159

Schedule of Findings and Questioned Costs

IX

160-166

OTHER DISCLOSURES

167

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STATE OF NEW MEXICO

Rio Arriba County

Official Roster

June 30, 2015

Name

Title

Board of County Commissioners

Danny J. Garcia	Commissioner
Barney Trujillo	Commissioner
Alex M. Naranjo	Commissioner

Elected Officials

Levi Valdez, Jr.	County Assessor
Moises Morales	County Clerk
James Lujan	County Sheriff
Jose Candelaria	County Treasurer
Max Quintana	Probate Judge

Administrative Officials

Thomas Campos III	County Manager
Christine Montaña	Director of Finance
David F. Trujillo	Assistant County Manager
Guadalupe Mercure	Assistant Director of Finance

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FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
The County Manager and
County Commissioners
Rio Arriba, County
Tierra Amarilla, New Mexico 87575

Report on Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund and the major special revenue fund of Rio Arriba County, New Mexico (the County), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons for the major capital projects fund, major debt service fund, and all nonmajor funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

Basis for Qualified Opinion on Cash and Revenues Presented in the Governmental Activities and Governmental Fund Financial Statements

Material weaknesses in internal controls over the cash reconciliation process and financial and reporting close process has precluded us from gaining sufficient evidence as to whether the cash and revenues of the governmental activities and each fund of the County are presented fairly, in all material respects. The amount by which this departure would affect the assets, fund balances, net position, and revenues of the governmental activities and the governmental funds has not been determined.

Qualified Opinions

In our opinion, except for the effects of the matters described in the ‘Basis for Qualified Opinion on Cash and Revenues Presented in the Governmental Activities and Governmental Fund Financial Statements’ paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the general fund and major special revenues fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, except for the effects of the matters described in the ‘Basis for Qualified Opinion on Cash and Revenues Presented in the Governmental Activities and Governmental Fund Financial Statements’ paragraph above, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund, as of June 30, 2015 and the respective changes in financial position and the respective budgetary comparisons of the nonmajor governmental funds for the year then ended in accordance with accounting principles generally accepted in the United States of America

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major enterprise fund, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with generally accepted accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Management has omitted the Management’s Discussion and Analysis which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements is required by the governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require Schedules I and II and the notes to the required supplementary information on pages 72-76 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquires, the basic financial statements, and other knowledge 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’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, Audit of States, Local Governments, and Non-Profit Organizations*, the introductory section and Supporting Schedules III through VII required by Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supporting Schedules III through VI 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, except for the effect on the supplementary information described in the basis for qualified opinion paragraph above, the

Supporting Schedules III and VI required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and Schedule VII have 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 them.

Other Reporting Required by Government Auditing Standards

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 1, 2015

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
Rio Arriba County
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
Current assets:			
Cash and cash equivalents	\$ 11,668,172	\$ 87,701	\$ 11,755,873
Investments	13,250,062	59,199	13,309,261
Accounts receivables			
Property taxes	1,642,996	-	1,642,996
Accrued interest	38,425	82	38,507
Tenant (net)	-	23,665	23,665
Other taxes	1,062,716	-	1,062,716
Intergovernmental	612,674	219,286	831,960
Other	31,563	-	31,563
Prepaid expenses	-	7,550	7,550
Total current assets	28,306,608	397,483	28,704,091
Noncurrent assets:			
Restricted cash and cash equivalents	666,894	12,081	678,975
Restricted investments	1,797,773	-	1,797,773
Capital assets	137,306,985	5,787,180	143,094,165
Less: accumulated depreciation	(50,051,521)	(4,493,416)	(54,544,937)
Total noncurrent assets	89,720,131	1,305,845	91,025,976
Deferred outflows of resources:			
Contributions subsequent to the measurement date	1,710,901	10,707	1,721,608
Total deferred outflows of resources	1,710,901	10,707	1,721,608
Total assets and deferred outflows	\$ 119,737,640	\$ 1,714,035	\$ 121,451,675

The accompanying notes are an integral part of these financial statements

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Current liabilities:			
Accounts payable	\$ 429,139	\$ 17,255	\$ 446,394
Unearned revenue	-	4,050	4,050
Accrued interest	19,740	-	19,740
Tenant security deposits	-	6,935	6,935
Loans and bonds payable	229,401	-	229,401
Accrued payroll	-	15,900	15,900
Accrued compensated absences	684,369	9,267	693,636
	<u>1,362,649</u>	<u>53,407</u>	<u>1,416,056</u>
Total current liabilities			
Non-current liabilities:			
Loans and bonds payable	7,869,020	-	7,869,020
Compensated absences	-	4,731	4,731
Net pension liability	12,219,437	106,875	12,326,312
	<u>20,088,457</u>	<u>111,606</u>	<u>20,200,063</u>
Total noncurrent liabilities			
Deferred inflows of resources:			
Actuarial experience	139,295	72	139,367
Investment experience	4,749,043	41,812	4,790,855
	<u>4,888,338</u>	<u>41,884</u>	<u>4,930,222</u>
Total deferred inflows of resources			
	<u>26,339,444</u>	<u>206,897</u>	<u>26,546,341</u>
Total liabilities and deferred inflows			
Net position			
Net investment in capital assets	79,157,043	1,293,764	80,450,807
Restricted for:			
Debt service	2,464,667	-	2,464,667
Special revenue funds	10,387,070	-	10,387,070
Section 8 housing program	-	5,140	5,140
Unrestricted	1,389,416	208,234	1,597,650
	<u>93,398,196</u>	<u>1,507,138</u>	<u>94,905,334</u>
Total net position			
	<u>\$ 119,737,640</u>	<u>\$ 1,714,035</u>	<u>\$ 121,451,675</u>
Total liabilities, deferred inflows, and net position			

STATE OF NEW MEXICO
Rio Arriba County
Statement of Activities
For the Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 10,965,035	\$ 1,382,176	\$ 524,642	\$ -
Public safety	12,197,613	172,138	2,750,700	-
Public works	2,600,785	-	1,425,979	219,293
Culture and recreation	1,025,068	1,553	-	-
Health and welfare	4,245,033	99,405	1,984,933	-
Interest and other charges	260,262	-	-	-
Total governmental activities	<u>31,293,796</u>	<u>1,655,272</u>	<u>6,686,254</u>	<u>219,293</u>
Business-type Activities:				
Low Rent Public Housing Program	397,438	84,843	137,501	-
Section 8 Housing Choice Program	101,634	10,550	67,578	-
Public Housing Capital Fund Program	-	-	-	4,282
Total business-type activities	<u>499,072</u>	<u>95,393</u>	<u>205,079</u>	<u>4,282</u>
Total primary governmental	<u>\$ 31,792,868</u>	<u>\$ 1,750,665</u>	<u>\$ 6,891,333</u>	<u>\$ 223,575</u>

General Revenues

- Taxes
 - Property
 - Gross receipts
 - Gasoline and motor vehicle
 - Lodgers
 - Franchise
- Payment in lieu of taxes
- Miscellaneous
- Loss on disposal of capital assets
- Investment income
- Total general revenues

Change in net position

Net position - beginning of year

Net position - restatement (Note 20)

Net position - beginning, as restated

Net position - end of year

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (9,058,217)	\$ -	\$ (9,058,217)
(9,274,775)	-	(9,274,775)
(955,513)	-	(955,513)
(1,023,515)	-	(1,023,515)
(2,160,695)	-	(2,160,695)
(260,262)	-	(260,262)
<u>(22,732,977)</u>	<u>-</u>	<u>(22,732,977)</u>
-	(175,094)	(175,094)
-	(23,506)	(23,506)
-	4,282	4,282
<u>-</u>	<u>(194,318)</u>	<u>(194,318)</u>
(22,732,977)	(194,318)	(22,927,295)
5,977,440	-	5,977,440
5,678,200	-	5,678,200
6,859,391	-	6,859,391
64,375	-	64,375
2,167	-	2,167
2,034,319	-	2,034,319
555,832	77,592	633,424
(617)	-	(617)
28,085	236	28,321
<u>21,199,192</u>	<u>77,828</u>	<u>21,277,020</u>
(1,533,785)	(116,490)	(1,650,275)
111,019,886	1,767,927	112,787,813
<u>(16,087,905)</u>	<u>(144,299)</u>	<u>(16,232,204)</u>
<u>94,931,981</u>	<u>1,623,628</u>	<u>96,555,609</u>
<u>\$ 93,398,196</u>	<u>\$ 1,507,138</u>	<u>\$ 94,905,334</u>

STATE OF NEW MEXICO

Rio Arriba County
Balance Sheet
Governmental Funds
June 30, 2015

	<u>General Fund</u>	<u>Indigent Special Revenue Fund</u>	<u>County Funded Capital Projects</u>	<u>Debt Service Fund</u>
ASSETS				
Cash and cash equivalents	\$ 5,315,818	\$ 2,113,309	\$ (4,044,290)	\$ 666,894
Investments	2,828,719	-	10,421,343	1,797,773
Accounts receivable				
Property taxes	1,642,996	-	-	-
Other taxes	387,950	106,174	117,596	-
Intergovernmental	-	-	-	-
Accrued interest	10,909	-	27,516	-
Due from other funds	668,306	-	-	-
	<u>668,306</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 10,854,698</u>	<u>\$ 2,219,483</u>	<u>\$ 6,522,165</u>	<u>\$ 2,464,667</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
<i>Liabilities</i>				
Accounts payable	\$ 44,339	\$ 304,838	\$ -	\$ -
Due to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>44,339</u>	<u>304,838</u>	<u>-</u>	<u>-</u>
 <i>Deferred inflows of resources</i>				
Unavailable revenue-property taxes	1,535,274	-	-	-
	<u>1,535,274</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflows of resources</i>	<u>1,535,274</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <i>Fund balances:</i>				
<i>Spendable</i>				
<i>Restricted fund balances</i>				
General county operations	-	-	-	-
Public safety	-	-	-	-
County road	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	1,914,645	-	-
County property valuation	-	-	-	-
Debt service	-	-	-	2,464,667
Committed fund balances				
Capital projects	-	-	6,522,165	-
Unassigned fund balances	9,275,085	-	-	-
	<u>9,275,085</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>9,275,085</u>	<u>1,914,645</u>	<u>6,522,165</u>	<u>2,464,667</u>
 <i>Total liabilities, deferred inflows of resources, and fund balances</i>	 <u>\$ 10,854,698</u>	 <u>\$ 2,219,483</u>	 <u>\$ 6,522,165</u>	 <u>\$ 2,464,667</u>

The accompanying notes are an integral part of these financial statements

Other Governmental Funds	Total Governmental Funds
\$ 8,283,335	\$ 12,335,066
-	15,047,835
-	1,642,996
450,996	1,062,716
644,237	644,237
-	38,425
-	668,306
<u>\$ 9,378,568</u>	<u>\$ 31,439,581</u>

\$ 79,962	\$ 429,139
<u>668,306</u>	<u>668,306</u>
<u>748,268</u>	<u>1,097,445</u>
-	<u>1,535,274</u>
-	<u>1,535,274</u>

378,760	378,760
4,712,371	4,712,371
2,331,691	2,331,691
221,220	221,220
474,189	2,388,834
359,296	359,296
-	2,464,667
234,664	6,756,829
<u>(81,891)</u>	<u>9,193,194</u>
<u>8,630,300</u>	<u>28,806,862</u>
<u>\$ 9,378,568</u>	<u>\$ 31,439,581</u>

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Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2015

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

Fund balances - total governmental funds	\$ 28,806,862
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	87,255,464
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflow in the fund financial statement, but are considered revenue in the Statement of Activities.	1,535,274
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund financial statements:	
Deferred outflows of resources related to employer contributions subsequent to the measurement date	1,710,901
Deferred inflows of resources related to changes in assumptions	(139,295)
Deferred inflows of resources related to projected and actual earnings on pension assets	(4,749,043)
Some liabilities, including notes and bonds payable, compensated absences, and the net pension liability, are not due and payable in the current period and, therefore, are not reported in the fund financial statements:	
Loans and bonds payable	(8,098,421)
Accrued interest	(19,740)
Compensated absences	(684,369)
Net pension liability	<u>(12,219,437)</u>
Total net position of governmental activities	<u>\$ 93,398,196</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Rio Arriba County
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2015

	General Fund	Indigent Special Revenue Fund	County Funded Capital Projects	Debt Service
<i>Revenues</i>				
Taxes:				
Property	\$ 5,477,536	\$ 544,128	\$ -	\$ -
Gross receipts	1,491,649	599,654	712,148	227,558
Gasoline and motor vehicle	6,271,493	169,107	-	-
Lodgers	-	-	-	-
Franchise	2,167	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
State operating grants	501,698	1,696	1,802	-
State capital grants	-	-	-	-
Payment in lieu of taxes	2,034,319	-	-	-
Local Sources				
Charges for services	331,461	-	-	-
Licenses and and permits	948,313	-	-	-
Investment income	(82,580)	(4,860)	104,702	(7,887)
Miscellaneous	51,109	-	8,730	-
<i>Total revenues</i>	<u>17,027,165</u>	<u>1,309,725</u>	<u>827,382</u>	<u>219,671</u>
<i>Expenditures</i>				
Current				
General government	9,823,705	-	427,255	-
Public safety	6,873,647	-	-	-
Public works	204,751	-	-	-
Culture and recreation	444,240	-	-	-
Health and welfare	353,457	574,093	-	-
Capital outlay	-	-	6,496,127	-
Debt service				
Principal	-	-	-	114,224
Interest	-	-	-	109,369
<i>Total expenditures</i>	<u>17,699,800</u>	<u>574,093</u>	<u>6,923,382</u>	<u>223,593</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(672,635)</u>	<u>735,632</u>	<u>(6,096,000)</u>	<u>(3,922)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of assets	3,583	-	9,176	-
Transfers in	1,723,702	-	700,000	12,431
Transfers (out)	(2,374,748)	-	(847,305)	(1,129,011)
<i>Total other financing sources (uses)</i>	<u>(647,463)</u>	<u>-</u>	<u>(138,129)</u>	<u>(1,116,580)</u>
<i>Net change in fund balances</i>	(1,320,098)	735,632	(6,234,129)	(1,120,502)
<i>Fund balances - beginning of year</i>	<u>10,595,183</u>	<u>1,179,013</u>	<u>12,756,294</u>	<u>3,585,169</u>
<i>Fund balances - end of year</i>	<u>\$ 9,275,085</u>	<u>\$ 1,914,645</u>	<u>\$ 6,522,165</u>	<u>\$ 2,464,667</u>

The accompanying notes are an integral part of these financial statements

Other Governmental Funds	Total Governmental Funds
\$ 139,790	\$ 6,161,454
2,647,191	5,678,200
418,791	6,859,391
64,375	64,375
-	2,167
1,317,650	1,317,650
4,863,408	5,368,604
219,293	219,293
-	2,034,319
373,692	705,153
1,806	950,119
18,710	28,085
495,993	555,832
<u>10,560,699</u>	<u>29,944,642</u>
249,583	10,500,543
4,313,851	11,187,498
1,618,757	1,823,508
75,507	519,747
2,923,498	3,851,048
1,769,471	8,265,598
242,733	356,957
152,951	262,320
<u>11,346,351</u>	<u>35,969,533</u>
<u>(785,652)</u>	<u>(6,024,891)</u>
9,543	22,302
2,135,464	4,571,597
(220,533)	(4,571,597)
<u>1,924,474</u>	<u>22,302</u>
1,138,822	(6,800,275)
<u>7,491,478</u>	<u>35,607,137</u>
<u>\$ 8,630,300</u>	<u>\$ 28,806,862</u>

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Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2015

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

Net change in fund balances - total governmental funds	\$ (6,800,275)
--	----------------

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

Capital asset additions reported as capital outlay expenditures	8,265,598
Depreciation expense	(3,948,354)

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

Change in deferred inflows related to the property taxes receivable	(184,014)
Book value of disposed capital assets	(22,917)

Governmental funds report County pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense:

County pension contributions	1,710,901
Pension expense	(953,359)

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

Decrease in accrued compensated absences	39,620
Decrease in accrued interest payable	2,058
Principal payments on loans and bonds	<u>356,957</u>

Change in net position of governmental activities	<u><u>\$ (1,533,785)</u></u>
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STATE OF NEW MEXICO

Exhibit C-1

Rio Arriba County

General Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<i>Revenues</i>				
Taxes:				
Property	\$ 4,381,306	\$ 4,381,306	\$ 5,522,533	\$ 1,141,227
Gross receipts	1,508,096	1,508,096	1,488,115	(19,981)
Gasoline and motor vehicle	7,382,373	7,382,373	7,179,687	(202,686)
Lodgers	12,576	12,576	2,167	(10,409)
Intergovernmental:				
State operating grants	305,668	418,408	501,698	83,290
Payment in lieu of taxes	1,395,000	1,395,000	2,034,319	639,319
Charges for services	236,330	236,330	335,215	98,885
Licenses and permits	885,702	885,702	974,694	88,992
Investment income	397,131	397,131	(52,690)	(449,821)
Miscellaneous	205,278	205,278	51,109	(154,169)
<i>Total revenues</i>	<u>16,709,460</u>	<u>16,822,200</u>	<u>18,036,847</u>	<u>1,214,647</u>
<i>Expenditures</i>				
Current:				
General government	11,432,203	11,480,425	9,824,272	1,656,153
Public safety	5,733,477	7,520,335	6,867,034	653,301
Public works	216,833	216,832	204,751	12,081
Culture and recreation	668,915	646,608	444,795	201,813
Health and welfare	385,396	385,396	353,457	31,939
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>18,436,824</u>	<u>20,249,596</u>	<u>17,694,309</u>	<u>2,555,287</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,727,364)</u>	<u>(3,427,396)</u>	<u>342,538</u>	<u>3,769,934</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	4,064,899	4,085,710	-	(4,085,710)
Transfers in	-	1,723,702	1,723,702	-
Transfers (out)	(2,357,234)	(2,362,317)	(2,374,748)	(12,431)
<i>Total other financing sources (uses)</i>	<u>1,727,364</u>	<u>3,427,396</u>	<u>(647,463)</u>	<u>(4,074,859)</u>
<i>Net change in fund balances</i>	-	-	(304,925)	(304,925)
<i>Fund balances - beginning of year</i>	-	-	9,117,768	9,117,768
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,812,843</u>	<u>\$ 8,812,843</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (304,925)
Adjustments to revenues for taxes, charges for services and investment income				(1,009,682)
Adjustments to expenditures for payables, payroll taxes, and other accruals				(5,491)
Net change in fund balances (GAAP)				<u>\$ (1,320,098)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-2

Rio Arriba County

Indigent Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ 251,717	\$ 251,717
Gross receipts	166,000	166,000	596,120	430,120
Gasoline and motor vehicle	120,000	120,000	195,288	75,288
Lodgers	195,000	195,000	292,411	97,411
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	1,696	1,696
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>481,000</u>	<u>481,000</u>	<u>1,337,232</u>	<u>856,232</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,526,332	1,526,332	269,255	1,257,077
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,526,332</u>	<u>1,526,332</u>	<u>269,255</u>	<u>1,257,077</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,045,332)</u>	<u>(1,045,332)</u>	<u>1,067,977</u>	<u>2,113,309</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,045,332	1,045,332	-	(1,045,332)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,045,332</u>	<u>1,045,332</u>	<u>-</u>	<u>(1,045,332)</u>
<i>Net change in fund balances</i>	-	-	1,067,977	1,067,977
<i>Fund balances - beginning of year</i>	-	-	1,045,332	1,045,332
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,113,309</u>	<u>\$ 2,113,309</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 1,067,977
Adjustments to revenues for gross receipts taxes				(27,507)
Adjustments to expenditures for care of prisoners and other operating costs				(304,838)
Net change in fund balances (GAAP)				<u>\$ 735,632</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
Rio Arriba County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2015

Exhibit D-1

ASSETS

Cash and cash equivalents	\$ 7,830,128
Other taxes receivable	169,352
Property taxes receivable	<u>4,226,783</u>
<i>Total assets</i>	<u><u>\$ 12,226,263</u></u>

LIABILITIES

Due to other taxing units, inmates, and other beneficiaries	<u>\$ 12,226,263</u>
<i>Total liabilities</i>	<u><u>\$ 12,226,263</u></u>

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

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**RIO ARRIBA COUNTY
GOVERNMENTAL ACTIVITIES
NOTES TO THE FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies

Rio Arriba County (the “County”) is a political sub-division of the State of New Mexico established and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commission-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, sanitation, planning and zoning, property assessment, tax collection and general administrative services.

Rio Arriba County is a body politic and corporate under the name and form of government selected by its qualified electors. The County may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have a common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico.
6. Protect generally the property of its county and its inhabitants;
7. Preserve peace and order within the county; and
8. Establish rates for services provided by the County utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of Rio Arriba County is presented to assist in the understanding of Rio Arriba County’s financial statements. The financial statements and notes are the representation of Rio Arriba County’s management who is responsible for their integrity and objectivity. 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.

During the year ended June 30, 2015, the County adopted GASB Statements No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* (“GASB 68”), and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* (“GASB 71”). These two Statements are required to be implemented at the same time. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets are also legally protected from creditors of the plan members.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As a result of the implementation of GASB 68, the government recognized a net pension liability (“NPL”) measured as of a date no later than the end of its prior fiscal year. If the government employer makes a contribution to the pension plan subsequent to the measurement date but prior to the end of the current fiscal year, GASB 68 requires the government to recognize that contribution as a deferred outflow of resources. In addition, GASB 68 requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the NPL that arise from other types of events, but does not require the government to recognize beginning deferred outflows of resources or deferred inflows of resources if the amounts are not practical to estimate. At transition to Statement 68, Statement 71 requires the employer or nonemployer contributing entity to recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the government’s fiscal year, thus avoiding possible understatement of an employer or nonemployer contributing entity’s beginning net position and expense in the initial period of implementation.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

This pronouncement has materially impacted the financial statements and additional disclosures are included in the notes to the financial statements to highlight the effects.

The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61. Blended component units, although legally separate entities are, in substance, part of the government's operations.

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

Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the County has one component unit required to be reported under GASB Statements No. 14, No. 39, and No. 61.

Blended Component Unit

Rio Arriba County Housing Authority (the Authority): The Authority is a separate legal entity that can sue or be sued separately from the County. The component unit has the same three board members as the County and receives funding from the County to meet some of its expenditures. For these reasons, the Authority is considered a blended component unit. The Authority provides services to residents, generally within the geographic boundaries of the primary government. The Generally Accepted Accounting Principles requires the inclusion of this unit in the reporting entity. A separate audited financial statement was issued by the Authority and can be obtained by writing to the Rio Arriba County Housing Authority, PO Box 310, 737 La Joya Street, Espanola, NM 87532. The separate audit report contains a full set of financial statements and disclosures to the basic financial statements for the Authority.

B. Government-wide and fund financial statements

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

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

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The County's net position is reported in three parts – Net investment in capital assets; restricted net position; and unrestricted net position.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and fund financial statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. 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 the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements of time, reimbursement and contingencies imposed by the provider are met.

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. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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. All other revenue items are considered to be measurable and available only when cash is received by the government. Unavailable revenue is classified as a deferred inflow. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred.

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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the County's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the County's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of County facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

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

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.

The County Funded Capital Projects Fund accounts for capital acquisitions funded by bond proceeds, gross receipts taxes, cash transfers from the General Fund. (Authority: County Commission)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority, a blended component unit of the County, are rent and other tenant-related revenue. Operating expenses of the Authority consist of administrative costs, maintenance and repairs, housing assistance payments, bad debt expenses, and depreciation. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. A separate audited financial statement was issued by the Authority and can be obtained by writing to the Rio Arriba County Housing Authority, PO Box 310, 737 La Joya Street, Espanola, NM 87532. The separate audit report contains a full set of financial statements and disclosures to the basic financial statements for the Authority.

Additionally, the government reports the following agency funds:

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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position

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 the State Treasurer's Investment Pool.

Investments for the County are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2015, the County maintained a balance of \$1,122 in the Local Government Investment Pool.

Receivables and Payables: Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting funds and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position (continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded as revenue when levied net of estimated refunds and uncollectable amounts.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after May 10th are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.

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

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Rio Arriba County was a phase II government for purpose of recording the historical cost (or estimate) of infrastructure assets retroactively to 1979. Those infrastructure costs are included in the capital assets. New infrastructure built since GASB Statement No. 34 was implemented in fiscal year 2003 has also been capitalized. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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 are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	25-50
Land improvements	20-40
Infrastructure	25-50
Machinery and equipment	5-10

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2015, along with applicable PERA, Retiree Health Care, FICA and Medicare accruals.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position (continued)

Deferred Inflows of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The County has one type of deferred inflow which arises under the modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, unavailable revenue - property taxes is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The County has recorded \$1,535,274 related to property taxes considered “unavailable.” In addition, the County has two types of items present on the Statement of Net Position for both the governmental and business-type activities, which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, net difference between projected and actual investment earnings on pension plan investments (Actuarial experience) of \$4,790,855, and change in assumptions (Investment experience) of \$139,367, are reported on the Statement of Net Position. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

Deferred Outflows of Resources: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The County has one type of item that qualifies for reporting in this category in both the governmental and business-type activities. Accordingly, the item - employer contributions subsequent to measurement date – has been reported as a deferred outflow of resources in the amount of \$1,721,608. This amount is reported in the Statement of Net Position. These amounts are deferred and recognized as outflows of resources the next period.

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 Public Employees Retirement Association (P.E.R.A) and additions to/deductions from P.E.R.A’s fiduciary net position have been determined on the same basis as they are reported by P.E.R.A, 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.

Compensated Absences: Qualified employees may accumulate limited amounts of vacation pay which are payable to the employee upon termination or retirement. Full-time classified employees accrue annual leave at the rate of 6.1538 hours per pay period for a total of 20 days per year. Part-time classified employees working more than 20 hours but less than 40 hours a week will accrue annual leave on a pro rated basis. Employees can carryover up to 30 days of annual leave from one fiscal year to another. Any leave in excess of 240 hours will be converted to sick leave. The employee or the employee’s estate will be paid for each day of unused annual leave at the time of the employee’s voluntary or involuntary termination, retirement, death, or total disability up to a maximum of 30 days plus the number of days accrued and unused during the current calendar year.

Full-time classified employees are entitled to accumulate sick leave at a rate of 18 days per year, and it may be accrued from year to year until the employee’s termination or retirement. Part-time classified employees working more than 20 hours but less than 40 hours a week will accrue sick leave on a pro rated basis.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. For bonds issued after GASB Statement No. 34 was implemented, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. For fund financial reporting, bond premiums, discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source, net of the applicable premium or discount.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position (continued)

Fund Balance Classification Policies and Procedures: In the governmental fund financial statements, fund balance is reported in five classifications:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form; for example, inventories, prepaid amounts, long term amount of loans and note receivable or (b) legally or contractually required to be maintained intact; for example, debt service reserves. The County has no nonspendable fund balance at June 30, 2015.

Restricted – This classification includes amounts that are restricted to a specific purpose. Fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants) grantors, contributors, or laws or regulations of other governments; (b) enabling legislation, as the term is used authorizes the County to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The County has \$12,856,839 in restricted fund balances at June 30, 2015.

Committed – This classification includes amounts that can only be used for specific purposes to constraints imposed by formal action of the Board of County Commissioners, the County's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of County Commissioners removes or changes the specific use by taking the same type of action (for example, resolution or ordinance) it employed to previously commit those amounts. The County has \$6,756,829 in committed funds at June 30, 2015 for County funded capital projects. The County does not designate fund balances at year end for subsequent expenditures and has no internal minimum fund balance requirement.

Assigned – This classification includes amounts that are constrained by the County's *intent* to be used for specific purposes, but are neither restricted nor committed and should be reported as assigned fund balance. The Board of County Commissioners has delegated the authority to assign amounts to be used for specific purposes to the County Manager and the Director of Finance. The County has no assigned fund balances at June 30, 2015.

Unassigned – This classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. The County has \$9,193,194 in unassigned fund balances at June 30, 2015.

When expenditures are incurred for purposes for which amounts in any of the spendable fund balance classifications could be used, it is the County's policy to use committed amounts first, followed by assigned amounts and then unassigned amounts.

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

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets:

Net investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position (continued)

b. Restricted net position:

Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue and debt service funds are described on pages 79 through 85.

c. Unrestricted net position:

All other net position amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

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. Significant estimates for the County are management’s estimate of estimated useful lives and the current portion of accrued compensated absences.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the County Commissioners, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the County Commissioners and the Department of Finance and Administration.

Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total by fund. These budgets are prepared on the Non-GAAP budgetary basis and secure appropriation of funds for only one year. The expenditures on the budgetary basis exclude encumbrances. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been properly amended by County Commissioners in accordance with the above procedures. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (1,727,364)	\$ (3,427,396)
Indigent Special Revenue Fund	\$ (1,045,332)	\$ (1,045,332)
County Funded Capital Projects Fund	\$ (16,642,733)	\$ (15,554,424)
Debt Service Fund	\$ (210,933)	\$ (945,771)
Other Governmental Funds	\$ (6,724,067)	\$ (8,258,978)

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

Since accounting principles applied for the purpose of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2015 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 3. 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. The County is authorized under the provision of Section 6-10-10, NMSA 1978, as amended, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States of America. Local public finance officials may also place deposits with the State Treasurer's Local Government Investment Pool pursuant to Sections 6-10-10.1 and 6-10-36 NMSA 1978.

Pursuant to Section 6-10-36 NMSA 1978, deposits of funds may be made in: (1) non-interest bearing checking accounts within the geographical boundaries of the County, to the extent the deposits are insured by an agency of the United States, or (2) in interest bearing deposits in one or more banks or savings and loan associations, or credit unions within the geographical boundaries of the County, that have qualified as public depositories by reason of insurance of the account by an agency of the United States or by depositing collateral security or by giving bond as provided by law.

Section 6-10-17 of NMSA 1978, requires that 50% of the balance of all deposits not insured by the FDIC, in banks or savings and loan associations must be collateralized by securities specified in Section 6-10-16 NMSA 1978. According to the statute, securities that are obligations of the state of New Mexico, its agencies, institutions, counties, municipalities or other subdivisions shall be accepted as security at par value. All other securities allowed by the statute shall be accepted as security at market value.

By operation of federal law, beginning January 1, 2013, funds invested in noninterest bearing accounts transaction accounts will no longer receive unlimited coverage under by the Federal Deposit Insurance Corporation. Beginning January 1, 2013, all of the County's accounts at an insured depository institution, including non-interest bearing accounts are insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). As of June 30, 2015, \$31,325,197 of the County's bank balances totaling \$32,325,197 was exposed to custodial credit risk. \$31,062,107 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the County's name and \$263,090 was uninsured and uncollateralized.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 3. Deposits and Investments (continued)

	<u>Community Bank</u>	<u>Bank of the West</u>	<u>First National Santa Fe</u>	<u>Century Bank</u>	<u>Washington Federal</u>
Amount of deposits	\$ 4,012,572	\$ 1,253,889	\$ 8,031,487	\$ 6,673,209	\$ 301,494
FDIC coverage	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(500,000)</u>	<u>(250,000)</u>
Total uninsured public funds	<u>3,762,572</u>	<u>1,003,889</u>	<u>7,781,487</u>	<u>6,173,209</u>	<u>51,494</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name					
	6,795,031	1,314,533	9,987,500	6,617,105	63,996
Uninsured and uncollateralized	<u>\$ (3,032,459)</u>	<u>\$ (310,644)</u>	<u>\$ (2,206,013)</u>	<u>\$ (443,896)</u>	<u>\$ (12,502)</u>
Collateral requirement (50%)					
Pledged securities	6,795,031	1,314,533	9,987,500	6,617,105	63,996
Over (under) collateralized	<u>\$ 4,913,745</u>	<u>\$ 812,588</u>	<u>\$ 6,096,756</u>	<u>\$ 3,530,500</u>	<u>\$ 38,249</u>

	<u>Wells Fargo</u>	<u>Total</u>
Amount of deposits	\$ 8,199,192	\$ 28,471,843
FDIC coverage	<u>(250,000)</u>	<u>(1,750,000)</u>
Total uninsured public funds	<u>7,949,192</u>	<u>26,721,843</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name		
	8,956,882	33,735,047
Uninsured and uncollateralized	<u>\$ (1,007,690)</u>	<u>\$ (7,013,204)</u>
Collateral requirement (50%)		
Pledged securities	8,956,882	33,735,047
Over (under) collateralized	<u>\$ 4,982,286</u>	<u>\$ 20,374,124</u>

The collateral pledged is listed on Schedule III on this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by an agency, school district or political subdivision of the State of New Mexico.

STATE OF NEW MEXICO
 Rio Arriba County
 Notes to Financial Statements
 June 30, 2015

NOTE 3. Deposits and Investments (continued)

Reconciliation to the Statement of Net Position

Cash and cash equivalents- per Exhibit A-1	\$ 11,668,172
Investments-per Exhibit A-1	13,250,062
Restricted cash and cash equivalents-per Exhibit A-1	666,894
Restricted investments-per Exhibit A-1	1,797,773
Cash and cash equivalents- Statement of Fiduciary Assets and Liabilities- per Exhibit D-1	<u>7,830,128</u>
 Total cash and cash equivalents	 35,213,029
 Less: restricted cash	 (666,894)
Less: investments with NMFA	(1,797,773)
Add: reconciling items	2,455,398
Add: State of NM LGIP	(1,883)
Less: unreconciled cash difference	<u>(6,730,034)</u>
 Bank balance of deposits	 <u>\$ 28,471,843</u>

Restricted cash represents cash held at NMFA for debt service requirements and consist of U.S. Treasury Money Market Mutual Fund amounts. U. S Treasury Money Market Fund is rated AA+ by Standard and Poor's. There was no interest rate risk associated with the U.S Treasury Money Market Mutual Fund amounts at June 30, 2015. These accounts are classified as cash equivalents on the statement of net position due to their original weighted average maturity of less than 90 days.

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. The County's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978).

As of June 30, 2015, the County had the following investments and maturities:

Investment Type	Rating	Fair Value	Weighted Average Maturity
Local Government Investment Pool	AAAm	\$ 1,883	77.7 Days
U.S. Treasury Money Market Mutual Funds	AA+	1,797,773	N/A
Certificates of Deposit	AAA	<u>13,248,179</u>	>365 Days
 Total investments		 <u>\$ 15,047,835</u>	

Concentration of Credit Risk

The County's investment policy places no limit on the amount the County may invest in any one issuer. The County's investments are in Certificates of Deposit with the County's local banks with the average maturity being one year.

STATE OF NEW MEXICO
 Rio Arriba County
 Notes to Financial Statements
 June 30, 2015

NOTE 4. Receivables

Receivables as of June 30, 2015 for the primary government are as follows:

	General	Indigent Special Revenue Fund	County Funded Capital Projects	Other Governmental Funds	Total	Agency Funds
Property taxes	\$ 1,642,996	\$ -	\$ -	\$ -	\$ 1,642,996	\$ 4,226,783
Other taxes:						
Oil and gas taxes	252,209	6,962	-	-	259,171	-
Motor vehicle taxes	36,529	-	-	21,855	58,384	-
Gross receipts taxes	99,212	99,212	117,596	429,141	745,161	169,352
Other receivables:						
Intergovernmental-grants:						
State	-	-	-	522,742	522,742	-
Federal	-	-	-	89,932	89,932	-
Interest	10,909	-	27,516	-	38,425	-
Miscellaneous	-	-	-	31,563	31,563	-
Totals	<u>\$ 2,041,855</u>	<u>\$ 106,174</u>	<u>\$ 145,112</u>	<u>\$ 1,095,233</u>	<u>\$ 3,388,374</u>	<u>\$ 4,396,135</u>

NOTE 5. Inter-fund Receivables and Payables

The County records temporary interfund receivables and payables to enable funds to operate until grant monies are received. All interfund balances are to be repaid within one year.

Due from other funds	Due to other funds	Amount
Primary Government		
General Fund	Solid Waste	\$ 12,500
General Fund	DWI Grants	159,976
General Fund	New Mexico State Library	9,313
General Fund	Summer Food Program	22,617
General Fund	Sherrif Grants	22,232
General Fund	NMYCC Program	8,624
General Fund	DOH CHI CNS Grants- Maternal/Child Health	50,990
General Fund	Behavioral Health Grants	113,051
General Fund	Homeland Security and Emergency Management	25,078
General Fund	RAJJB	40,833
General Fund	Senior Appropriations Capital Projects	203,092
Total		<u>\$ 668,306</u>

STATE OF NEW MEXICO
 Rio Arriba County
 Notes to Financial Statements
 June 30, 2015

NOTE 6. Interfund Transfers

Transfers are made to various funds to supplement the costs of risk management insurance and to enable funds to operate until reimbursement is received. Interfund transfers are composed of the following for the year ended June 30, 2015:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Solid Waste	\$ 100,000
General Fund	County Road	500,000
General Fund	Farm and Range Improvement	29,000
General Fund	Senior Citizen Program	1,009,874
General Fund	DWI Grants	19,378
General Fund	County Funded Capital Projects	700,000
General Fund	Debt Service	12,431
General Fund	Sheriff Grants	4,065
County Funded Capital Projects	General Fund	574,954
County Funded Capital Projects	Solid Waste	150,000
County Funded Capital Projects	Sheriff Grants	122,351
Debt Service	County Funded Capital Projects	1,125,046
Fire District Bond Funds	Fire Department Funds	99,670
Debt Service	Fire Department Funds	3,231
Fire Department Funds	Fire District Bond Funds	95,336
DWI Grants	General Fund	1,044
Sherrif Grants	General Fund	645
Senior Citizen Program	General Fund	5,704
Debt Service	Solid Waste	734
Behavioral Health Grant	General Fund	13,026
Dept. of Homeland Security and Emergency Management	General Fund	3,283
EMS Funds	Emergency Communications/EMS	1,825
		<u>\$ 4,571,597</u>

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 7. Capital Assets

The following is a summary of capital assets and changes occurring during the year ended June 30, 2015. Land, construction in progress, works of art, book collections, and water rights are not being depreciated.

	Balance June 30, 2014	Restatement and Adjustments	Additions	Deletions	Balance June 30, 2015
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 14,237,256	\$ 4	\$ -	\$ -	\$ 14,237,260
Construction in Progress	5,084,650	-	2,608,622	(4,508,368)	3,184,904
Works of Art	180,000	-	-	-	180,000
Book Collections	10,000	-	-	-	10,000
Water Rights	290,674	-	-	-	290,674
Total capital assets not being depreciated	<u>19,802,580</u>	<u>4</u>	<u>2,608,622</u>	<u>(4,508,368)</u>	<u>17,902,838</u>
Capital assets being depreciated:					
Buildings and building	65,930,149	-	6,204,059	(46,802)	72,087,406
Land improvements	4,606,372	-	1,315,353	-	5,921,725
Infrastructure	15,223,096	22	480,423	-	15,703,541
Machinery and equipment	23,778,185	66,487	2,165,510	(318,707)	25,691,475
Total capital assets being depreciated	<u>109,537,802</u>	<u>66,509</u>	<u>10,165,345</u>	<u>(365,509)</u>	<u>119,404,147</u>
Total assets	<u>129,340,382</u>	<u>66,513</u>	<u>12,773,967</u>	<u>(4,873,877)</u>	<u>137,306,985</u>
Less accumulated depreciation:					
Buildings and building	20,921,140	-	1,723,393	(23,885)	22,620,648
Land improvements	1,196,577	1	272,304	-	1,468,882
Infrastructure	7,993,125	2	452,651	-	8,445,778
Machinery and equipment	16,334,914	-	1,500,006	(318,707)	17,516,213
Total accumulated depreciation	<u>46,445,756</u>	<u>3</u>	<u>3,948,354</u>	<u>(342,592)</u>	<u>50,051,521</u>
Total capital assets, net of depreciation	<u>\$ 82,894,626</u>	<u>\$ 66,510</u>	<u>\$ 8,825,613</u>	<u>\$ (4,531,285)</u>	<u>\$ 87,255,464</u>

STATE OF NEW MEXICO
 Rio Arriba County
 Notes to Financial Statements
 June 30, 2015

NOTE 7. Capital Assets (continued)

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

Governmental activities:	
General government	\$ 798,587
Public safety	1,281,830
Culture and recreation	524,010
Public works	853,674
Health and welfare	<u>490,253</u>
Total	<u><u>\$ 3,948,354</u></u>

NOTE 8. Long-term Debt

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

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Bonds	\$ 4,818,384	\$ -	\$ 187,906	\$ 4,630,478	\$ 96,207
NMFA Loans	3,565,144	-	114,224	3,450,920	116,171
USDA Loan	71,850	-	54,827	17,023	17,023
Compensated Absences	<u>723,989</u>	<u>671,962</u>	<u>711,582</u>	<u>684,369</u>	<u>684,369</u>
Total Long-Term Debt	<u><u>\$ 9,179,367</u></u>	<u><u>\$ 671,962</u></u>	<u><u>\$ 1,068,539</u></u>	<u><u>\$ 8,782,790</u></u>	<u><u>\$ 913,770</u></u>

NMFA and USDA Loans

On September 3, 2010 the County entered into a loan agreement with the NMFA and the proceeds went directly to the NCSWA as a grant from the County. The original amount of the issue was for \$143,238. The county pledged its GRT revenues to pay for this loan by way of intercept payments. The interest rates range from 1.12% and 2.85% through the life of the loan.

On March 19, 1996 the County entered into a loan agreement with the NMFA and the proceeds went directly to the Tierra Amarilla Fire Department. The original amount of the issue was for \$105,000. The County pledged part of its state fire allotment to pay for this loan by way of intercept payments. The interest rate is 5.778% through the life of the loan.

On July 28, 2006 the County entered into a loan agreement with the United State Department of Agriculture and the proceeds went directly to the Dixon Fire Department for the purchase of a fire truck. The original amount of the issue was for \$153,850. The County pays for this loan directly to the USDA every year on the 28th day of June. The interest rate is 5.778% through the life of the loan.

On May 17, 2013 the County entered into a loan agreement with NMFA in the amount of \$3,573,105 for purposes of planning, constructing and equipping an archive facility to be located in Tierra Amarilla. The County pledged its GRT revenues to pay for this loan by way of intercept payments. The loan has a blended interest rate of 3.210% throughout the life of the loan and matures in May of 2042.

STATE OF NEW MEXICO
 Rio Arriba County
 Notes to Financial Statements
 June 30, 2015

NOTE 8. Long-term Debt (continued)

The annual requirements to amortize the loans described above are as follows:

New Mexico Finance Authority Loans:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 116,171	\$ 106,888	\$ 223,059
2017	108,450	105,078	213,528
2018	109,940	103,530	213,470
2019	111,788	101,728	213,516
2020	113,972	99,543	213,515
2021-2025	473,546	463,143	936,689
2026-2030	552,402	384,288	936,690
2031-2035	667,143	269,550	936,693
2036-2040	822,834	113,859	936,693
2041-2042	374,674	-	374,674
	<u>\$ 3,450,920</u>	<u>\$ 1,747,607</u>	<u>\$ 5,198,527</u>

USDA Loan (Dixon FD):

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 17,023	\$ 1,200	\$ 18,223
	<u>\$ 17,023</u>	<u>\$ 1,200</u>	<u>\$ 18,223</u>

Gross Receipts Revenue Bonds

On July 31, 2013 the County issued Gross Receipts Tax Improvement Revenue Bonds Series 2013 for purpose of acquiring, constructing, equipping and improving solid waste facilities and equipment in the County. The County pledged GRT revenues to pay for the loan. The bonds have an interest rate of 3.190% throughout the life of the bonds which are payable through July 1, 2033.

STATE OF NEW MEXICO
 Rio Arriba County
 Notes to Financial Statements
 June 30, 2015

NOTE 8. Long-term Debt (continued)

The annual requirements to amortize the bonds described above are as follows:

Bonds:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 96,207	\$ 73,856	\$ 170,063
2017	197,041	143,084	340,125
2018	203,377	136,749	340,126
2019	209,917	130,209	340,126
2020	216,666	123,459	340,125
2021-2025	1,192,423	508,205	1,700,628
2026-2030	1,396,863	303,766	1,700,629
2031-2034	1,117,984	72,456	1,190,440
	\$ 4,630,478	\$ 1,491,784	\$ 6,122,262

Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During the fiscal year June 30, 2015, compensated absences decreased by \$39,620. Compensated absences are paid by the fund that they are accrued in, which is typically the General Fund.

NOTE 9. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters.

The County is a member and is insured through the New Mexico County Insurance Authority. The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority acts as the common carrier for the State of New Mexico counties. The County pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The County is not liable for more than the premiums paid.

NOTE 10. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. The following funds had deficit fund balances at June 30, 2015:

<u>Governmental Funds</u>	
New Mexico State Library Special Revenue Fund	\$ (3,283)
Sherrif Grants Special Revenue Fund	(4,552)
Department of Homeland Security and Emergency Management Specail Revenue Fund	(2,105)
RAJJB Specail Revenue Fund	(28,152)
Senior Appropriations Capital Projects Fund	(43,799)
Total deficit fund balances	\$ (81,891)

B. There were no funds that exceeded approved budgetary authority for the year ended June 30, 2015.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 10. Other Required Individual Fund Disclosures (continued)

C. There were no funds with designated cash appropriations in excess of available balances at June 30, 2015.

NOTE 11. Public Employees Retirement Association (PERA) Pension Plan

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

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

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at:

http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf

Contributions. The contribution requirements of defined benefit plan members and Rio Arriba County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at:

http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf

The PERA coverage options that apply to Rio Arriba County are the Municipal General Division and the Municipal Police Division. Statutorily required contributions to the pension plan from Rio Arriba County were \$1,307,218 for Municipal General and \$403,683 for Municipal Police for the year ended June 30, 2015 and there were \$402,196 of employer paid members benefits that were “picked up” by the employer for the year ended June 30, 2015.

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

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.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 11. Public Employees Retirement Association (PERA) Pension Plan (continued)

Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were preformed 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. Rio Arriba County's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to fiscal year 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division Municipal General, at June 30, 2015, Rio Arriba County reported a liability of \$10,593,077 for its proportionate share of the net pension liability. At June 30, 2014, the County's proportion was 1.3579 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, Rio Arriba County recognized PERA Fund Division Municipal General pension expense of \$441,942 plus \$402,196 of employer paid members benefits that were "picked up" by the employer for the year ended June 30, 2015. At June 30, 2015, Rio Arriba County reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 7,179
Net difference between projected and actual earnings on pension plan investments	-	4,144,291
Rio Arriba County contributions subsequent to the measurement date	1,307,218	-
Total	<u>\$ 1,307,218</u>	<u>\$ 4,151,470</u>

For Municipal General, \$1,307,218 reported as deferred outflows of resources related to pensions resulting from Rio Arriba County contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. There were no other amounts reported as deferred outflows of resources.

Deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	(\$1,037,859)
2017	(1,037,859)
2018	(1,037,859)
2019	(1,037,859)
2020	(\$34)
Thereafter	-

For PERA Fund Division Municipal Police, at June 30, 2015, Rio Arriba County reported a liability of \$1,626,360 for its proportionate share of the net pension liability. At June 30, 2014, the County's proportion was 0.4989 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 11. Public Employees Retirement Association (PERA) Pension Plan (continued)

For the year ended June 30, 2015, Rio Arriba County recognized PERA Fund Division Municipal Police pension expense of \$109,219. At June 30, 2015, Rio Arriba County reported PERA Fund Division Municipal Police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 132,116
Net difference between projected and actual earnings on pension plan investments	-	604,752
Rio Arriba County contributions subsequent to the measurement date	403,683	-
Total	<u>\$ 403,683</u>	<u>\$ 736,868</u>

For Municipal Police, \$403,683 reported as deferred outflows of resources related to pensions resulting from Rio Arriba County contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. There were no other amounts reported as deferred outflows of resources.

Deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	(\$184,053)
2017	(184,053)
2018	(184,053)
2019	(184,053)
2020	(\$656)
Thereafter	-

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

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

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 11. Public Employees Retirement Association (PERA) Pension Plan (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	<u>4.0</u>	4.15
Total	<u>100.0%</u>	

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

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

PERA Fund Municipal General Division	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Rio Arriba's proportionate share of the net pension liability	\$19,970,333	\$ 10,593,077	\$3,348,699
PERA Fund Municipal Police Division	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Rio Arriba's proportionate share of the net pension liability	\$3,101,471	\$ 1,626,360	\$524,914

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

Payables to the pension plan. At June 30, 2015 there were no contributions due and payable to PERA for the County.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 12. Post-Employment Benefits- State Retiree Health Care Plan

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

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

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

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

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

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

Rio Arriba County's contributions to the RHCA for the years ended June 30, 2015, 2014, and 2013 were \$201,001, \$198,551, and \$197,223, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 13. Joint Powers Agreements and Memorandums of Understanding

New Mexico Enhanced 911 Act

The City of Espanola, the Village of Chama, Ohkay Owingeh, the Jicarilla Apache Nation, the County of Rio Arriba County, and the County of Santa Fe have entered into a joint powers agreement to establish and provide a centralized enhanced 911 system and improve public emergency and law enforcement services to their citizens. The Espanola/Rio Arriba County shall oversee operations of enhanced 911 service within the County boundaries and act as the vehicle through which parties receive funding pursuant to the Act.

The terms of this agreement is indefinite. The City of Espanola shall act as fiscal agent for the County on behalf of the parties. As the fiscal agent, the City of Espanola shall manage all revenues, maintain all accounts and receive and disburse all funds on behalf of the County and at the direction of the Board. This agreement may be terminated by any party at any time after providing thirty (30) days written notice to the Board, in order to withdraw from this agreement. Upon termination of this Agreement, any surplus money and/or property acquired from funding paid for by the members shall be returned to the parties, which are signatories to this agreement at the time of termination, in proportion to the contributions made. Property acquired through the Local Government Division, Department of Finance & Administration (DFA) shall be disbursed according to the requirements of DFA.

North Central Solid Waste Authority

The City of Espanola, the Santa Clara Pueblo, the San Juan Pueblo and Rio Arriba County have entered into a joint powers agreement to form a regional solid waste disposal authority in order to comply with the Solid Waste Act, to provide for disposition of solid waste and to provide general protection of health, welfare, and safety of the public and to provide staff, management assistance, planning and facilities.

The term of this agreement is indefinite. It is the intent of the parties that the Authority become self-sufficient and that no party be required to contribute funds from its respective budget or taxing authority other than for start up costs. The agreement may be terminated by either party upon delivery of a written notice to the other at least 90 days prior to the intended date of termination. All payments under this agreement are on a reimbursement basis. North Central Solid Waste Authority board will serve as a fiscal agent and will be responsible for all audit requirements.

Animal Shelter Services

Rio Arriba County entered into a joint animal shelter service program located and operated within the municipal boundaries of the City of Espanola to provide for the seizure and disposition of all dogs and cats running at large. The County shall pay to the Espanola Valley Humane Society \$6,333.33 per month beginning July 1, 2010 to help defray costs of the shelter in serving the County. The parties agree that this agreement shall terminate on June 30, 2016. At any time either party shall have the right to terminate this agreement with or without cause by giving the other party 30 days written notice. Any property acquired as a result of joint exercise of powers shall be disposed of, divided or distributed in equal parts to the parties hereto. Any monetary contributions pursuant to this agreement upon termination prior to the end of the fiscal year for which they were made will be refunded to the County pro rated to the end of the fiscal year.

North Central Regional Transit District

The North Central Regional Transit District (District) Intergovernmental Contract entered into by and among the City of Espanola, County of Los Alamos, Pueblo of Nambe, Pueblo of Pojoaque, Rio Arriba County, Pueblo of San Ildefonso, Pueblo of Ohkay Owingeh, Pueblo of Santa Clara, City of Santa Fe, County of Santa Fe, Pueblo of Tesuque and County of Taos. The purpose of the District, being a multimodal public transit district formed pursuant to the Act, recognizes as its purpose to finance, construct, operate, maintain, and promote an efficient, sustainable, and regional multimodal transportation system at any location or locations, subject to compliance with the Act. The term of the contract shall begin when the New Mexico State Transportation Commission has certified the creation of the District and shall end when all current members agree in writing to terminate this contract, provided, however, that the contract cannot be terminated so long as the District has any Bonds outstanding. The District shall be governed by a Board of Directors who shall exercise and perform all powers and privileges and duties vested in or imposed upon the District. The Board shall appoint a Treasurer who shall be subject to rules and procedures established by the Board.

STATE OF NEW MEXICO
 Rio Arriba County
 Notes to Financial Statements
 June 30, 2015

NOTE 14. Federal and State Grants

Rio Arriba County participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, Rio Arriba County may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited by the grantor agencies. Management believes that any disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of Rio Arriba County.

NOTE 15. Contingent Liabilities

The County is party to various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government’s counsel the resolution of these matters will not have a material adverse effect on the financial position of the County. The County is insured through the New Mexico County Insurance Authority.

NOTE 16. Leases

There were no capital lease agreements as of June 30, 2015 to which the County was a party.

The County is a party to several operating lease agreements where it is the lessee and is subject to future payments to unrelated parties through June 30, 2019. The amount of the future liability for these leases is disclosed below:

<u>Fiscal year ending June 30,</u>	<u>Annual Amount Due</u>
2016	\$ 54,360
2017	54,360
2018	54,360
2019	54,360
	<u>\$ 217,440</u>

NOTE 17. Restricted Net Position

For the primary government, the government-wide statement of net position reports \$12,851,737 of restricted amounts. The special revenue funds have \$10,387,070 which is restricted by enabling legislation. \$2,464,667 is restricted for debt service requirements. For descriptions of the related restrictions for net position amounts restricted for special revenue and debt service, see pages 79-85.

NOTE 18. Subsequent Events

The date to which events occurring after June 30, 2015, have been evaluated for possible adjustment to the financial statements or disclosures is November 1, 2015, which is the date on which the financial statements were issued. No events took place subsequent to year end.

NOTE 19. Subsequent Pronouncements

In February 2015, GASB Statement No. 72 *Fair Value Measurement and Application*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The County will implement this standard during the fiscal year ended June 30, 2016. The County is still evaluating how this pronouncement will affect the financial statements.

STATE OF NEW MEXICO
Rio Arriba County
Notes to Financial Statements
June 30, 2015

NOTE 19. Subsequent Pronouncements (continued)

In June 2015, GASB Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the County.

In June 2015, GASB Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. This pronouncement will not effect the County's financial statements.

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The County expects this pronouncement to have a material effect on the financial statements.

In June 2015, GASB Statement No. 76 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The County will implement this standard during the fiscal year ended June 30, 2016. The County expects the pronouncement to have a material effect on the financial statements.

In August 2015, GASB Statement No. 77 *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The County will implement this standard during the fiscal year ended June 30, 2017. The County is still evaluating how this pronouncement will effect the financial statements.

NOTE 20. Net Position Restatements

The County has a prior period adjustment of (\$16,154,418) which was required for implementation of GASB Statement No. 68. The adjustment reflects a beginning net pension liability of \$17,743,005 and a beginning of deferred outflow of resources - employer contributions subsequent to the measurement date of \$1,588,587. These restatements are reported at Exhibit A-2.

The County also has a prior period adjustment of \$66,513 to correctly present beginning capital asset and accumulated depreciation amounts. Details of this adjustment may be found in Note 7.

In total, the restatement for the County on Exhibit A-2 is (\$16,232,204). Of this amount, (\$16,087,905) is reported in governmental activities and (\$144,299) is reported in business-type activities.

NOTE 21. Federal and State Grants

In the normal course of operations, the County receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. The County expects any liability for reimbursement which may arise as a result of these audits to be immaterial.

**RIO ARRIBA HOUSING AUTHORITY
A COMPONENT UNIT OF RIO ARRIBA COUNTY
BUSINESS-TYPE ACTIVITIES
NOTES TO THE FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
Rio Arriba County Housing Authority
A Component Unit of Rio Arriba County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies

The Rio Arriba County Housing Authority (the Authority) was established in 1978. The Authority's office is located in Espanola, New Mexico. However, the housing units are located in Tierra Amarilla and Ojo Caliente, New Mexico. The governing body of the Authority consists of the three members of the Rio Arriba County board of commissioners. The Authority manages two low rent public housing developments containing 53 total units and administers Housing and Urban Development's (HUD) Housing Choice Voucher Section 8 housing assistance program. Also, the Authority manages 50 unit apartments for the Truth or Consequences Housing Authority.

The primary goal of the Low Rent Public Housing Program is the provision of a decent home in a suitable living environment for families that cannot afford standard private housing. Under this program, decent, safe and sanitary housing is made available to families having incomes lower than those serviced by Public Housing Agencies (PHA) which are organized and authorized in accordance with State Law to engage or assist in the development of operation of a Low Rent Public Housing Program. The PHA is a local housing authority (LHA) governed by an appointed board of commissioners who employ an administrative staff headed by an executive director.

This summary of significant accounting policies of the Authority is presented to assist in the understanding of the Authority's financial statements. The financial statements and notes are the representation of the Authority's management, who is responsible for their integrity and objectivity. The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities.

The Authority reports the following major enterprise funds:

- **Low Rent Public Housing Program** – Funded through direct grants from HUD, the program is designed to provide adequate living accommodations to qualified families through reduced rate rentals built and owned by the Authority.
- **Section 8 Housing Choice Voucher Program** – These programs, funded through direct grants from HUD, provide rental assistance to qualified recipients through rent subsidies paid directly to third-party property owners.
- **Public Housing Capital Fund Program** – These programs, funded through direct grants from HUD, account for acquisition of capital assets or construction of capital projects.

A. Financial Reporting Entity

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential programs and operations of the Authority. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 and GASB Statement No. 61. 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 is the scope of public service. Application of this criterion involves considering whether the activity benefits the Authority and/or its residents and participants, or whether the activity is conducted within the geographic boundaries of the Authority and is generally available to its residents and participants.

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 Authority is able to exercise oversight responsibilities. Based upon the application of these criteria, the Authority has no component units; however, the Authority is a component unit of Rio Arriba County as the County has operational responsibility over the Authority and is governed by the same governing authority.

Rio Arriba County does issue separately audited financial statements. Additional information regarding Rio Arriba County may be obtained directly from their administrative office as follows: Rio Arriba County Finance Department, Rio Arriba County Seat, State Rd. 162 #149, Tierra Amarilla, New Mexico 87575.

STATE OF NEW MEXICO
Rio Arriba County Housing Authority
A Component Unit of Rio Arriba County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Basis of Accounting and Measurement Focus

The Authority's basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as set forth or adopted by the Governmental Accounting Standards Board ("GASB") and the Financial Accounting Standards Board ("FASB"), and their predecessors, the National Council on Governmental Accounting ("NCGA") and the Accounting Principles Board ("APB"), respectively. Generally accepted accounting principles for local governments include those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The Authority's proprietary (enterprise) funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets and all liabilities associated with the operations are included on the balance sheet. Net Position (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt; restricted; and unrestricted components.

All of the Authority's programs are accounted for as one business-type activity for financial reporting purposes. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for rent and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. There are no fiduciary funds included in the Authority's financial statements.

The Housing Authority's cash flow statement includes changes in both operating cash and restricted cash and cash equivalents.

Revenue Recognition

Dwelling rental revenues are recorded as rentals become due. Rental payments received in advance are deferred until earned.

Grant revenues are recognized as revenues when the related costs are incurred. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

The Authority has entered into contracts with HUD to develop, manage and own public housing projects and to administer the federal Section 8 Housing Choice Vouchers Program, whereby monthly housing assistance payments are made to landlords on behalf of eligible lower income individuals and families. HUD makes monthly operating subsidy contributions within the public housing program and monthly contributions for housing assistance payments and administration fees for the Section 8 Housing Choice Vouchers Program. Such contributions are reflected as operating grants revenue. Contributions received from HUD for capital additions and improvements are reported as capital grants revenue.

C. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position

Cash and Cash Equivalents and Investments

The Authority is authorized under the provision of 6-10-10 NMSA 1978, as amended, to deposit its money in banks, savings and loan association and/or credit unions whose accounts are insured by an Agency of the United States. The Authority'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 OF NEW MEXICO
Rio Arriba County Housing Authority
A Component Unit of Rio Arriba County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position (continued)

Before any local funds are invested or reinvested for the purpose of short-term investment pursuant to Section 6-10-10.1 NMSA 1978, as amended, the local public body finance official shall notify and make such funds available to banks, savings and loan associations and credit unions located within the geographical boundaries of their respective governmental unit, subject to the limitation on credit union accounts. To be eligible for such funds, the financial institution shall pay to the local public body the rate established by the state treasurer pursuant to a policy adopted by the State Board of Finance for such short-term investments.

State regulations require that uninsured demand deposits and deposit-type investments such as certificates of deposit, be collateralized by the depository thrift or banking institution. Currently, state statutes require that a minimum of fifty percent (50%) of balances on deposit with any one institution must be collateralized, with higher requirements up to one hundred percent (100%) for financially troubled institutions. All securities pledged are reported at market value.

Accounts Receivable and Accounts Payable

All receivables, including tenant receivables, are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Accounts are estimated to be uncollectible if they are outstanding for greater than one month. Payables are comprised of unpaid vendor and supplier invoices and are recognized when incurred.

Restricted Cash and Cash Equivalents

Certain resources set aside in escrow for security deposits of \$6,941, held as insurance against the non-payment for services rendered, are classified on the Statement of Net Position as restricted because their use is limited. In addition, resources are also set aside for Housing Assistance Payments (HAP) of \$5,140, as the use of those funds is restricted by enabling legislation.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the Authority's financial statements.

Capital Assets

Capital assets, which include property, plant, and equipment, are defined by the Authority as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. The Authority does have an exception for purchases made under Capital Fund Projects. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.2.20.1.9 C (5). Contributed capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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.

Depreciation is recorded using the straight-line method based on the estimated useful life of the asset. The following lives are utilized:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	5 yrs – 40 yrs
Machinery and equipment	3 yrs – 15 yrs

STATE OF NEW MEXICO
Rio Arriba County Housing Authority
A Component Unit of Rio Arriba County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position (continued)

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The Housing Authority has only one type of item that qualifies for reporting in this category. Accordingly, the item, contributions subsequent to measurement date, is reported in the Statement of Net Position. This amount is deferred and recognized as an outflow of resources the next period. The Housing Authority has recorded \$10,707 related to contributions subsequent to the measurement date.

Accrued Expenses

Accrued expenses are comprised of accrued salaries, wages, related employment taxes and current and noncurrent maturities of compensated absences, discussed more fully below.

Compensated Absences

Employees of the Authority are entitled to be compensated for accrued vacation time off, which is reported as an expense and a liability of the program that will fund it. There is a cap of 240 hours of vacation leave that an employee is permitted to accrue. When an employee separates from employment with the Authority in good standing, the employee is eligible to receive payment for accrued time remaining.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by corresponding deferred inflows of resources. The Housing Authority has two types of deferred inflows, which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the deferred inflows, net difference between expected and actual earnings and change in assumptions, are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Housing Authority has recorded \$72 related to change in assumptions and \$41,812 related to the net difference between expected and actual earnings.

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.

STATE OF NEW MEXICO
Rio Arriba County Housing Authority
A Component Unit of Rio Arriba County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position (continued)

Net Position

Net Position comprises the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components:

- **Net investment in capital assets** – This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any related debt attributable to the acquisition, construction, or improvement of those assets.
- **Restricted Net Position** – Net Position is reported as restricted when constraints placed on use are either (1) externally imposed by creditors, grantors, contributions or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – Net Position that does not meet the definition of “restricted” or “Net investment in capital assets”.

Unrestricted and Restricted Revenues

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

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 such as the lives of capital assets. Accordingly, actual results could differ from those estimates. Significant estimates in the Authority’s financial statements include depreciation on capital assets, the current portion of accrued compensated absences, and the allowance for uncollectible accounts.

New Accounting Standards Adopted

During the year ended June 30, 2015, the Housing Authority adopted GASB Statements No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* (“GASB 68”), and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* (“GASB 71”). These two Statements are required to be implemented at the same time. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets are also legally protected from creditors of the plan members.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As a result of the implementation of GASB 68, the government recognized a net pension liability (“NPL”) measured as of a date no later than the end of its prior fiscal year. If the government employer makes a contribution to the pension plan subsequent to the measurement date, but prior to the end of the current fiscal year, GASB 68 requires the government to recognize that contribution as a deferred outflow of resources. In addition, GASB 68 requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the NPL that arise from

STATE OF NEW MEXICO
Rio Arriba County Housing Authority
A Component Unit of Rio Arriba County
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position (continued)

other types of events, but does not require the government to recognize beginning deferred outflows of resources or deferred inflows of resources if the amounts are not practical to estimate. At transition to Statement 68, Statement 71 requires the employer or nonemployer contributing entity to recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability, but before the start of the government's fiscal year, thus avoiding possible understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation. This pronouncement has materially impacted the financial statements and additional disclosures are included in the notes to the financial statements to highlight the effects.

D. Budgets

The Authority's Commission is required to obtain approval from HUD for any revisions to the budgets that alter the total expenditures, at the legal level of budgetary control, which is at the grant program level. HUD program budgets are prepared on a regulatory basis which is comparable to the GAAP basis except for the omission of depreciation. Budgetary data for the Authority's programs are prepared on a calendar year basis. HUD does not require the presentation of the budgets in the audit report. The inclusion of the budget in the audit report would be misleading as the audit report is as of June 30, 2015 and the HUD budget period is not complete as of that date.

NOTE 2. Deposits and Investments

State Statutes authorize the investment of Authority 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 Authority properly followed State investment requirements as of June 30, 2015.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Authority. 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.

By operation of federal law, beginning January 1, 2013, funds deposited in noninterest-bearing transaction accounts (including an Interest on Lawyer Trust Account) no longer receive unlimited coverage under by the Federal Deposit Insurance Corporation. Beginning January 1, 2013, all of the Authority's accounts at an insured depository institution, including non-interest bearing accounts are insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for demand deposit accounts and \$250,000 for time and savings accounts.

Custodial Credit Risk – Deposits

Custodial Credit Risk – Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978). At June 30, 2015, none of the Authority's bank balance of \$180,347 was exposed to custodial credit risk.

Section 6-10-17, New Mexico Statutes Annotated, 1978 Compilation states the types of collateral allowed is 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. All depositories had balances not exceeding the amount covered by the FDIC as of June 30, 2015.

STATE OF NEW MEXICO
Rio Arriba County Housing Authority
A Component Unit of Rio Arriba County
Notes to the Financial Statements
June 30, 2015

NOTE 2. Deposits and Investments (continued)

	<u>Valley National Bank</u>	<u>Century Bank</u>	<u>Total</u>
Total amount of deposits	\$ 132,860	\$ 47,487	\$ 180,347
FDIC Coverage	<u>(132,860)</u>	<u>(47,487)</u>	<u>(180,347)</u>
Total uninsured public funds	<u>-</u>	<u>-</u>	<u>-</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the Authority's name	<u>-</u>	<u>-</u>	<u>-</u>
Uninsured and uncollateralized	<u>-</u>	<u>-</u>	<u>-</u>
Collateral requirement (50% of uninsured funds)	-	-	-
Pledged securities	-	-	-
Over (under) collateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Reconciliation to Statement of Net Position

The carrying amount of deposits and investments shown above are included in the Authority's Statement of Net Position as follows:

Cash and cash equivalents	\$ 87,701
Investments	59,199
Restricted cash and cash equivalents	<u>12,081</u>
Total cash, investments, and cash equivalents	158,981
Add: outstanding checks	<u>21,366</u>
Bank balance of deposits	<u>\$ 180,347</u>

Investments

The Authority reports investments of \$59,199 on the Statement of Net Position. This amount represents certificates of deposits with original maturities in excess of 90 days; however, this amount is considered a deposit for disclosure purposes.

NOTE 3. Receivables

Receivables as of June 30, 2015, are as follows:

Due from other governments	
Federal sources	\$ 219,286
Accrued interest	82
Tenant receivables	35,375
Allowance for doubtful accounts - tenants	<u>(11,710)</u>
Total	<u>\$ 243,033</u>

STATE OF NEW MEXICO
Rio Arriba County Housing Authority
A Component Unit of Rio Arriba County
Notes to the Financial Statements
June 30, 2015

NOTE 4. Interfund Receivables, Payables, and Transfers

The Authority records temporary interfund receivables and payables to enable the funds to operate until grant monies are received. All interfund balances are to be repaid within one year. These are reported as “Due from other funds” and “Due to other funds” on the Statement of Net Position.

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

Due from other funds	Due to other funds	
Low Rent Public Housing Program	Section 8 Housing Choice Vouchers Program	\$ 3,380
Equity Transfers from other programs	Equity Transfers to other programs	
Low Rent Public Housing Program	Public Housing Capital Fund Program	\$ 169,537

NOTE 5. Capital Assets

The following summary of capital assets and changes occurred during the year ended June 30, 2015. Land is not subject to depreciation.

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets, not depreciated:				
Land	\$ 109,735	\$ -	\$ -	\$ 109,735
Total capital assets, not depreciated	109,735	-	-	109,735
Capital assets, depreciated:				
Buildings and improvements	5,508,549	4,281	-	5,512,830
Machinery and equipment	164,615	-	-	164,615
Total capital assets, depreciated	5,673,164	4,281	-	5,677,445
Less accumulated depreciation:				
Buildings	4,186,062	165,240	-	4,351,302
Machinery and equipment	136,313	5,801	-	142,114
Total accumulated depreciation	4,322,375	171,041	-	4,493,416
Net book value	\$ 1,460,524	\$ (166,760)	\$ -	\$ 1,293,764

Depreciation expense for the year ended June 30, 2015 totaled \$171,041.

STATE OF NEW MEXICO
 Rio Arriba County Housing Authority
 A Component Unit of Rio Arriba County
 Notes to the Financial Statements
 June 30, 2015

NOTE 6. Long-Term Liabilities

The following summarizes changes in long-term liabilities during the fiscal year ended June 30, 2015. Compensated absences are typically liquidated through the Low Rent Public Housing Program. However, \$982 of the balance was allocated to the Section 8 Housing Choice Voucher Program in fiscal year 2015.

	Balance, June 30, 2014	Additions	Retirements	Balance, June 30, 2015	Due Within One Year
Compensated absences	\$ 13,748	\$ 17,338	\$ 17,088	\$ 13,998	\$ 9,267
Totals	<u>\$ 13,748</u>	<u>\$ 17,338</u>	<u>\$ 17,088</u>	<u>\$ 13,998</u>	<u>\$ 9,267</u>

NOTE 7. Public Employees Retirement Association (PERA) Pension Plan

Plan Description. The Public Employees Retirement Fund (PERA Fund) is a **cost-sharing, multiple employer defined benefit pension plan**. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund. PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at:

http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf

Contributions. The contribution requirements of defined benefit plan members and Rio Arriba County Housing Authority are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at:

http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf

The PERA coverage option that applies to Rio Arriba County Housing Authority is: Municipal General Division. Statutorily required contributions to the pension plan from Rio Arriba County Housing Authority were \$10,707 for the year ended June 30, 2015 and there were no employer paid members benefits that were “picked up” by the employer for the year ended June 30, 2015.

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

STATE OF NEW MEXICO
 Rio Arriba County Housing Authority
 A Component Unit of Rio Arriba County
 Notes to the Financial Statements
 June 30, 2015

NOTE 7. Public Employees Retirement Association (PERA) Pension Plan (continued)

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

For PERA Fund Division Municipal General, at June 30, 2015, Rio Arriba County Housing Authority reported a liability of \$106,875 for its proportionate share of the net pension liability. At June 30, 2014, the Housing Authority's proportion was 0.0137 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, Rio Arriba County Housing Authority recognized PERA Fund Division Municipal General pension expense of \$4,459. At June 30, 2015, Rio Arriba County Housing Authority reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 72
Net difference between projected and actual earnings on pension plan investments	-	41,812
Rio Arriba County Housing Authority's contributions subsequent to the measurement date	10,707	-
Total	\$ 14,505	\$ 56,865

\$10,707 reported as deferred outflows of resources related to pensions resulting from Rio Arriba County Housing Authority contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. There were no other amounts reported as deferred outflows of resources. Deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	(\$10,471)
2017	(10,471)
2018	(10,471)
2019	(10,471)
2020	-
Thereafter	-

STATE OF NEW MEXICO
Rio Arriba County Housing Authority
A Component Unit of Rio Arriba County
Notes to the Financial Statements
June 30, 2015

NOTE 7. Public Employees Retirement Association (PERA) Pension Plan (continued)

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

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

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

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

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

Sensitivity of the Housing Authority'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 Rio Arriba County Housing Authority's net pension liability in each PERA Fund Division that Rio Arriba County Housing Authority 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.

STATE OF NEW MEXICO
 Rio Arriba County Housing Authority
 A Component Unit of Rio Arriba County
 Notes to the Financial Statements
 June 30, 2015

NOTE 7. Public Employees Retirement Association (PERA) Pension Plan (continued)

PERA Fund Division	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The Housing Authority's proportionate share of the net pension liability	\$201,483	\$ 106,875	\$33,785

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at:

<http://www.pera.state.nm.us/publications.html>

Payables to the pension plan. No amounts are due and payable to PERA from the Authority.

NOTE 8. Net Position Restatement

The Housing Authority has a prior period adjustment of (\$144,299) which was required for implementation of GASB Statement No. 68. The adjustment reflects a beginning net pension liability of (\$155,006) and a beginning of deferred outflow of resources-employer contributions subsequent to the measurement date of \$10,707.

NOTE 9. Contingent Liabilities

Legal Proceedings—The Authority is subject to various legal proceedings that arise in the ordinary course of the Authority's operations. In the opinion of the Authority's management, the ultimate resolution of the matters will not have a material adverse impact on the financial position or results of operations of the Authority.

Federal Grants—The Authority receives federal grants for various specific purposes. These grants are subject to audit, which may result in requests for reimbursements to granting agencies for expenditures disallowed under the terms of the grants. Management believes that such disallowance, if any, will not be material to the financial statements.

NOTE 10. Risk Management

Rio Arriba County Housing Authority is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has joined together with other housing authorities throughout the country and obtained insurance through the Housing Authority Insurance Group, a housing authority risk pool currently operating as a common risk management and insurance program for member units. The Authority pays an annual premium to the Housing Authority Insurance Group for its general insurance coverage and all risk of loss is transferred to the risk pool.

NOTE 11. Post-Employment Benefits

The Retiree Health Care Act (Act) (Chapter 10, Article 7C NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The New Mexico Retiree Health Care Authority is the administrator of the plan. The purpose is to provide eligible retirees, their spouses, surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the New Mexico Retiree Health Care Fund and by co-payments of out-of-pocket payments of eligible retirees. As authorized under Section 9D of Chapter 6, Laws of 1990, the Authority has elected not to participate in the program by adoption of an ordinance.

STATE OF NEW MEXICO
Rio Arriba County Housing Authority
A Component Unit of Rio Arriba County
Notes to the Financial Statements
June 30, 2015

NOTE 12. Concentrations

Approximately 54.7% of total revenues of the Authority are received from programs directed by the United States Department of Housing and Urban Development. Receipt of these funds is contingent upon the Authority's continued compliance with grant provisions and the continuance of the grant programs by this U.S. Governmental agency.

NOTE 13. Subsequent Events

The date to which events occurring after June 30, 2015, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is October 16, 2015 which is the date on which the separately-issued financial statements were issued. No events took place subsequent to year end.

NOTE 14. Subsequent Pronouncements

In June 2015, GASB Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. This pronouncement will not effect the Housing Authority's financial statements.

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The Housing Authority does not expect this pronouncement to have a material effect on the financial statements.

In June 2015, GASB Statement No. 76 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The Housing Authority will implement this standard during the fiscal year ended June 30, 2016. The Housing Authority expects the pronouncement to have a material effect on the financial statements.

In August 2015, GASB Statement No. 77 *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The Housing Authority will implement this standard during the fiscal year ended June 30, 2017. The Housing Authority is still evaluating how this pronouncement will affect the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO

Rio Arriba County

Schedule of the County's Proportionate Share of the Net Pension Liability
of PERA Fund Municipal General Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

	2015 Measurement Date (As of and for the year ended <u>June 30, 2014</u>)
Rio Arriba County's proportion of the net pension liability	1.3579%
Rio Arriba County's proportionate share of the net pension liability	\$ 10,593,077
Rio Arriba County's covered-employee payroll	\$ 6,791,648
Rio Arriba County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	155.97%
Plan fiduciary net position as a percentage of the total pension liability	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, Rio Arriba County will present information for those years for which information is available.

See independent auditors' report
See notes to required supplementary information

STATE OF NEW MEXICO

Rio Arriba County

Schedule of the County's Proportionate Share of the Net Pension Liability
of PERA Fund Municipal Police Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

	2015 Measurement Date (As of and for the year ended <u>June 30, 2014</u>)
Rio Arriba County's proportion of the net pension liability	0.4989%
Rio Arriba County's proportionate share of the net pension liability	\$ 1,626,360
Rio Arriba County's covered-employee payroll	\$ 2,056,163
Rio Arriba County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	79.10%
Plan fiduciary net position as a percentage of the total pension liability	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, Rio Arriba County will present information for those years for which information is available.

See independent auditors' report
See notes to required supplementary information

STATE OF NEW MEXICO
 Rio Arriba County
 Schedule of Rio Arriba County's Contributions
 Public Employees Retirement Association (PERA) Plan
 PERA Fund Municipal General Division
 Last 10 Fiscal Years*

	2015
Contractually required contribution	\$ 1,307,218
Contributions in relation to the contractually required contribution	(1,307,218)
Contribution deficiency (excess)	\$ -
Rio Arriba County's covered-employee payroll	\$ 7,043,138
Contributions as a percentage of covered-employee payroll	19%

* 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, Rio Arriba County will present information for those years for which information is available.

See independent auditors' report
 See notes to required supplementary information

STATE OF NEW MEXICO
 Rio Arriba County
 Schedule of Rio Arriba County's Contributions
 Public Employees Retirement Association (PERA) Plan
 PERA Fund Municipal Police Division
 Last 10 Fiscal Years*

	2015
Contractually required contribution	\$ 403,683
Contributions in relation to the contractually required contribution	(403,683)
Contribution deficiency (excess)	\$ -
Rio Arriba County's covered-employee payroll	\$ 2,210,948
Contributions as a percentage of covered-employee payroll	18%

* 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, Rio Arriba County will present information for those years for which information is available.

See independent auditors' report
 See notes to required supplementary information

STATE OF NEW MEXICO
Rio Arriba County
Notes to Required Supplementary Information
For the Year Ended June 30, 2015

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

Changes of assumptions. Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at: http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf.

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

See independent auditors' report
See notes to required supplementary information

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
Rio Arriba County
Nonmajor Fund Descriptions
June 30, 2015

SPECIAL REVENUE FUNDS

2201 – Jail Operations Fund – To account for Detention Center expenditures. Funding is provided from Correction Fees. (Authority: NMSA 3-3-25)

2202 – Solid Waste - Rio Arriba County, working in a Memorandum of Agreement with its North Central Solid Waste Authority to provide solid waste collection, removal and disposal services. Funding is provided by Gross Receipts Tax Revenue (Authority: 7-20E-17 & 7-19D-10)

2203 – County Property Evaluation – The County established the fund to account for expenditures for training and other expenditures pertaining to the County Evaluation Program. A 1% administrative fee on property tax distributions provides funds (Authority: NMSA 7-38-38.1)

2204 – County Road Projects – The County established this fund to account for road projects in Rio Arriba County, New Mexico. (Authority: NMSA 67-3-28.2)

2207 - Emergency Communication/EMS – Established to account for expenditures related to 911 Center Operations and Emergency Medical Services. Funding is provided by Gross Receipts Tax Revenue. (Authority: NMSA 7-20E-12)

2208 - Farm and Range Improvement – To account for expenditures related to soil conservation, predatory animal and insect control. Funding is provided from distributions made under the Taylor Grazing Act. (Authority: NMSA 6-11-6)

2211 - Law Enforcement – To account for expenditures related to the purchase of law enforcement equipment and training. Financing is provided by a grant from New Mexico Department of Finance and Administration. (Authority: NMSA 29-13-7)

2214 - Lodgers' Tax Act – The County established this fund to account for the administration of a County promotional effort. Financing is derived from lodgers' tax imposed on hotels located within the unincorporated sections of the County. Rio Arriba County established the fund pursuant to Lodger's Occupancy Tax Ordinance. (Authority: NMSA 3-38-13 - 24)

2217 - Recreation - The County established the fund to account for expenditures related to the operations of its recreational activities. Financing is provided by a cigarette tax and other miscellaneous sources. (Authority: NMSA 7-12-15)

2219 - Senior Citizen Program- The County established the fund to account for expenditures related to the operation of its senior programs. Funding is provided from federal grants and County matching funds. (Authority: County Commission)

STATE OF NEW MEXICO
Rio Arriba County
Nonmajor Fund Descriptions
June 30, 2015

SPECIAL REVENUE FUNDS (CONTINUED)

2220 - Indigent – The County established the fund to account for expenditures that assist needy individuals with hospital expenses. Financing is provided by Gross Receipts Tax Revenue. (Authority: NMSA 7-20-3)

2222 – County Fire Protection – The County established the fund to account for expenditures of equipment, operating costs, and training for volunteer fire fighters. Financing is provided by Gross Receipts Tax Revenue. (Authority: NMSA 7-20E-15)

2225 - Clerks Recording and Filing Fees – The County established this fund to account for receipts and expenditures related to the County Clerk’s Office. New Mexico law stipulates that this fund is designated “for the purpose of equipment associated with recording, filing, maintaining or reproducing documentation.” Financing is provided from County recording fees. (Authority: NMSA 14-8-10)

2226 – Correctional Facility – The County established the fund to account for expenditures of equipment, operating costs, and training for the County Detention Center. Financing is provided by Gross Receipts Tax Revenue. (Authority: NMSA 7-20F-3)

DWI GRANTS

2223 - Local DWI Distribution Grant – To account for expenditures incurred for prevention, outpatient treatment, intensive probation and alternative sentencing for the DWI Program. Funding is provided from state grants and County matching funds. (Authority: County Commission)

2224 – Local DWI Grant Fund – To account for expenditures made for prevention, law enforcement, screening and assessment, outpatient treatment, and coordination and planning of DWI program activities in the County. Funding is provided from State grants and County matching funds. (Authority: NMSA 11-6A-6)

2229 - DWI Grant Council – To account for expenditures incurred for Prevention, Screening, Treatment and compliance monitoring/ Tracking for the DWI program. Funding is provided from State Grants. (Authority: County Commission)

2465 – DWI (LOGRAR) – To account for miscellaneous expenditures incurred by the DWI Program. (Authority: County Commission)

2466 – NCCBS – To account for expenditures related to the DWI program related to underage drinking. Funds are provided by North Central Community Based Services, Inc. (Authority: County Commission)

2467 - NMSH & T Community DWI 01 CD31080- To account for expenditures incurred for activities to reduce DWI which are of permanent direct benefit to traffic safety in New Mexico. Funding is provided from fees imposed on convicted drunk drivers as allowed by Section 31-12-7(B), Regulation 18.20.6 NMAC (2004) (Authority: County Commission)

STATE OF NEW MEXICO
Rio Arriba County
Nonmajor Fund Descriptions
June 30, 2015

SPECIAL REVENUE FUNDS (CONTINUED)

2468 – RAC MCP – To account for expenditures related to the DWI Misdemeanor Compliance program whose purpose is to ensure, through standards and limitations of powers, the safe and consistent handling of misdemeanor defendants who may be monitored or supervised by county operated misdemeanor compliance programs. (Authority: County Commission)

2469 – Correction Program - CYFD – To account for expenditures incurred for providing juvenile community corrections services to clients. Funding provided by the New Mexico of Children, Youth and Families Department. (Authority: County Commission)

FIRE DEPARTMENT FUNDS

2300,2301,2302,2303,2305,2306,2307,2308,2310,2311,2312,2313,2314,2315,2316,2317,2318,2319,2340 – Fire Department Funds – To account for expenditures of equipment, operating costs, and training for volunteer fire fighters. The County maintains and operates eighteen (18) fire departments. Funding is provided from the State of New Mexico Fire Protection Fund Act. (Authority: NMSA 59-A-53-2)

EMS FUNDS

2350,2351,2352,2353,2354,2355,2357,2358,2360,2361,2363,2364,2365,2366,2367,2368,2369 – Emergency Medical Service (EMS) Funds – to account for expenditures for maintenance and operations of ambulance service in the County. The County maintains and operates seventeen (17) EMS departments. Funding is provided from the Emergency Medical Services Act. (Authority: NMSA 24-10A & B)

2402 - New Mexico State Library – The County established the fund to account for expenditures that assist the Public Library. The County assists three public libraries. Funding is provided from the General Obligation Bonds for the purpose of providing public library resources. County established the fund pursuant to NM Statutes Law (Authority: NMSA 1978, 4-36-2).

2409 – Forest Reserve Title III – The County established this fund to account for expenditures for community services and fire and rescue activities. Funding provided by United States Public Law 106-393.

2413 – NMCF-Regional Food Hub/Sostenga Kitchen – To provide technical and resource support to agricultural entrepreneurs with emphasis to clients operating out of Sostenga local commercial kitchen in order to bring in revenue for self-sustainability and the viability of maintaining the operation of the kitchen. This support will be provided by a contracted Northern NM College student intern and in-kind support from Rio Arriba County Economic Development Office. (Authority: County Commission)

2421 - Summer Food Program - The County established this fund to account for expenditures related to the County's Summer Food program. Financing is provided from a grant from the Children, Youth and Families Department. (Authority: County Commission)

STATE OF NEW MEXICO
Rio Arriba County
Nonmajor Fund Descriptions
June 30, 2015

SPECIAL REVENUE FUNDS (CONTINUED)

2426 - SCAAP – The County established the fund to account for detention center costs related to the incarceration of undocumented criminal aliens (Costs reimbursed through the State Criminal Alien Assistance program (SCAAP). (Authority: County Commission)

SHERIFF GRANTS

2431 – JAG Program FY 2009 Recovery Act – To account for expenditures to purchase law enforcement equipment and training. Funds are provided by the Department of Justice. (Authority: County Commission)

2434 – Abiquiu Lake Patrol - To account for expenditures related to lake patrol of the Abiquiu Dam. Funds are provided by the USA Corps of Engineers. (Authority: County Commission)

2435 – Santa Fe National Forest - To account for expenditures related to forest patrol of the Santa Fe National Forest. Funds are provided by the USDA Forest Service. (Authority: County Commission)

2436 – Carson National Forest - To account for expenditures related to forest patrol of the Carson National Forest. Funds are provided by the USDA Forest Service. (Authority: County Commission)

2438 – Traffic Safety Education & Enforcement - To account for expenditures related to purchasing educational and promotional items. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

2440 – Click It Or Ticket - To account for expenditures related to the enforcement and public awareness to conduct seatbelt and child safety and enforcement activities. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

2441 – Teen Seatbelt – 10-OP-TD-080 - To account for expenditures related to the Traffic Safety Education Enforcement program, seatbelts, super blitz sobriety checkpoints and/or saturation patrols. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

2446 – NMDOT DWI 07-AL-03-080 – To account for expenditures related to the Traffic Safety Education Enforcement program, super blitz sobriety checkpoints and/or saturation patrols. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

2447 – OP DWI 08-AL-64-080 - To account for expenditures related to the Traffic Safety Education Enforcement program, super blitz sobriety checkpoints and/or saturation patrols. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

2448 – OBD 08-OP-RF-080 - To account for expenditures related to the Traffic Safety Education Enforcement program, seatbelts, super blitz sobriety checkpoints and/or saturation patrols. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

STATE OF NEW MEXICO
Rio Arriba County
Nonmajor Fund Descriptions
June 30, 2015

SPECIAL REVENUE FUNDS (CONTINUED)

2471 – 100 Days & Nights of Summer - To account for expenditures related to the Traffic Safety Education Enforcement program, super blitz sobriety checkpoints and/or saturation patrols. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

2460 – NM Youth Conservation Corps - To plan, design, establish and manage a YCC project including recruiting, guiding and coordinating the work of corps members and providing them with job and life skills training and educational opportunities in a accordance with NMYCC Act. (Authority: County Commission)

2461 - NM Youth Alliance-To promote the PYD approach and adolescent health by peer to peer and youth-adult partnership in New Mexico. (Authority: County Commission)

2482,2486,2485,2486 – DOH CHI CNS GRANTS- MATERNAL/CHILD HEALTH – The County established this fund to account for expenditures to support the community health improvement process through coordination of the health council, council development, assessment and planning and council action and leadership, child health promotion and early intervention. Funding is provided by a grant for the New Mexico Department of Health and the State Family Health Bureau. (Authority: County Commission)

2488, 2489 – Behavioral Health Grants- The County established the fund to account for expenditures incurred for providing quality behavioral health services, intervention and prevention for targeted population and the implementation of Total Community Approach Initiatives and to account for expenditures incurred for case management and outreach services. (Authority: County Commission)

2478 – Department of Homeland Security and Emergency Management – The County established the fund to account for expenditures in developing and conducting a progressive exercise program that will result in a full-scale exercise and to account for expenditures incurred for emergency management programmatic goals and objectives and purchase of major response equipment. Funding provided by the Department of Homeland Security and Emergency Management. (Authority: County Commission)

2499 – RAJJB - Rio Arriba County, working in conjunction with its Rio Arriba Juvenile Justice Board, established this fund to account for expenditures incurred for continuum of programs for youth at high risk of delinquent behavior. Rio Arriba County acts as the fiscal agent for the Rio Arriba Juvenile Justice Board. (Authority: County Commission)

2528 - Inmate Evercom Phone – The County established the fund to account for inmate expenditures as needed. Financing is provided from phone system charges that were collected as a commission on the purchase of phone cards. (Authority: County Commission)

STATE OF NEW MEXICO
Rio Arriba County
Nonmajor Fund Descriptions
June 30, 2015

CAPITAL PROJECTS FUNDS

3261,3262,3263,3264,3265,3266,3268,3269,3270,3271,3273,3274,3275,3276,3279,3280,3281,3283,3284 – Senior Appropriations Capital Projects– The County established this fund to account for expenditures relative to various County Senior facility projects financed by the Senior Capital Outlay (Authority: County Commission).

3285 – Landfill Closure – To account for expenditures for planning landfill closures. (Authority: County Commission)

3366 – Fire District Bond Funds – The County established this fund to account for the initial receipt of the funds from the issuance of bonds and the subsequent expenditures of those funds. (Authority: County Commission)

3367 – EMS Bond Fund – The County established this fund to account for the initial receipt of funds from the issuance of bonds and the subsequent expenditures of those funds. (Authority: County Commission)

DEBT SERVICE FUNDS

4401, 4420- Debt Service Funds- To account for the accumulation of resources and payment on General Obligation, Gross Receipt and Fire Tax Revenue bonds principal and interest.

TRUST and AGENCY FUNDS

7000 – Regional Transit – Established to account for expenditures related to the public transit system. Funded by Gross Receipts Tax Revenue. (Authority: County Commission)

7720 – Car Seat Program – To account for expenditures related to the Car Seat program. (Authority: County Commission)

7730 - Onate Center Donations – To account for expenditures related to the Onate. (Authority: County Commission)

7740 – Inmate Fund – To account for expenditures related to the Inmate Commissary Fund. (Authority: County Commission)

7741 – DWI Donation Fund – To account for expenditures related to the DWI donation fund. (Authority: County Commission)

STATE OF NEW MEXICO
Rio Arriba County
Nonmajor Fund Descriptions
June 30, 2015

TRUST and AGENCY FUNDS (CONTINUED)

7745 – NM State Police Bike Patrol – To account for the expenditures related to the NMSP bike patrol. (Authority: County Commission)

7750 - RA County Activities – The County established this fund to account for expenditures related to minor public safety issues. (Authority County Commission)

7751 – Rio Arriba County Security/Rent of Building - To account for expenditures related to the RAC security fund. (Authority: County Commission)

7752 – HHS Donation fund – To account for expenditures related to the support of the Crisis Prevention-Intervention Training. (Authority: County Commission)

7753 - Adult Day Care – The County established this fund to account for expenditures on behalf of participants in the County’s Senior Program. (Authority: County Commission)

7754,7755,7756,7757,7758,7759,7760,7761 – Senior Center – The County established this fund to account for expenditures on behalf of participants in the County’s senior programs. The County maintains and operates eight (8) Senior Centers. (Authority: County Commission)

STATE OF NEW MEXICO
Rio Arriba County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2015

Special Revenue

	Jail Operations	Solid Waste	County Property Evaluation
ASSETS			
Cash and cash equivalents	\$ -	\$ 174,540	\$ 359,296
Investments	-	-	-
Accounts receivable:			
Other taxes	-	41,150	-
Intergovernmental	-	-	-
Accrued interest	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 215,690</u>	<u>\$ 359,296</u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	12,500	-
<i>Total liabilities</i>	<u>-</u>	<u>12,500</u>	<u>-</u>
<i>Fund Balances</i>			
<i>Spendable</i>			
Restricted fund balances			
General county operations	-	-	-
Public safety	-	-	-
County road	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	203,190	-
County property valuation	-	-	359,296
Debt service	-	-	-
Committed fund balances			
Capital projects	-	-	-
Unassigned fund balances	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>203,190</u>	<u>359,296</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 215,690</u>	<u>\$ 359,296</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

County Road Projects	Emergency Communications/ EMS	Farm and Range Improvement	Law Enforcement	Lodgers' Tax Act	Recreation
\$ 882,837	\$ 1,017,366	\$ 5,438	\$ -	\$ 78,865	\$ 747
-	0	-	-	-	-
21,855	198,511	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 904,692</u>	<u>\$ 1,215,877</u>	<u>\$ 5,438</u>	<u>\$ -</u>	<u>\$ 78,865</u>	<u>\$ 747</u>
\$ -	\$ 10,500	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	<u>10,500</u>	-	-	-	-
-	-	-	-	-	-
-	1,205,377	-	-	-	-
904,692	-	-	-	-	-
-	-	5,438	-	78,865	747
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>904,692</u>	<u>1,205,377</u>	<u>5,438</u>	<u>-</u>	<u>78,865</u>	<u>747</u>
<u>\$ 904,692</u>	<u>\$ 1,215,877</u>	<u>\$ 5,438</u>	<u>\$ -</u>	<u>\$ 78,865</u>	<u>\$ 747</u>

STATE OF NEW MEXICO
 Rio Arriba County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2015

Special Revenue

	Senior Citizen Program	County Fire Protection	Clerk's Recording and Filing Fees
ASSETS			
Cash and cash equivalents	\$ 267,661	\$ 1,393,746	\$ 369,771
Investments	-	0	-
Accounts receivable:			
Other taxes	-	90,959	-
Intergovernmental	-	-	-
Accrued interest	-	-	-
<i>Total assets</i>	<u>\$ 267,661</u>	<u>\$ 1,484,705</u>	<u>\$ 369,771</u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>			
<i>Spendable</i>			
Restricted fund balances			
General county operations	-	-	369,771
Public safety	-	1,484,705	-
County road	-	-	-
Culture and recreation	-	-	-
Health and welfare	267,661	-	-
County property valuation	-	-	-
Debt service	-	-	-
Committed fund balances			
Capital projects	-	-	-
Unassigned fund balances	-	-	-
<i>Total fund balances</i>	<u>267,661</u>	<u>1,484,705</u>	<u>369,771</u>
<i>Total liabilities and fund balances</i>	<u>\$ 267,661</u>	<u>\$ 1,484,705</u>	<u>\$ 369,771</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Correctional Facility	DWI Grants	Fire Department Funds	EMS Funds	New Mexico State Library	Forest Reserve Title III
\$ -	\$ 91,432	\$ 1,870,876	\$ 7,809	\$ -	\$ 1,426,999
-	-	-	-	-	0
98,521	-	-	-	-	-
-	141,865	-	-	6,030	-
-	-	-	-	-	-
<u>\$ 98,521</u>	<u>\$ 233,297</u>	<u>\$ 1,870,876</u>	<u>\$ 7,809</u>	<u>\$ 6,030</u>	<u>\$ 1,426,999</u>
\$ 69,462	\$ -	\$ -	\$ -	\$ -	\$ -
-	159,976	-	-	9,313	-
<u>69,462</u>	<u>159,976</u>	<u>-</u>	<u>-</u>	<u>9,313</u>	<u>-</u>
-	-	-	-	-	-
29,059	73,321	1,870,876	7,809	-	-
-	-	-	-	-	1,426,999
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(3,283)	-
<u>29,059</u>	<u>73,321</u>	<u>1,870,876</u>	<u>7,809</u>	<u>(3,283)</u>	<u>1,426,999</u>
<u>\$ 98,521</u>	<u>\$ 233,297</u>	<u>\$ 1,870,876</u>	<u>\$ 7,809</u>	<u>\$ 6,030</u>	<u>\$ 1,426,999</u>

STATE OF NEW MEXICO
Rio Arriba County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2015

	Special Revenue		
	NMCF Regional Food Hub/ Sostenga Kitchen	Summer Food Program	SCAAP
ASSETS			
Cash and cash equivalents	\$ 6,898	\$ 42,136	\$ 8,989
Investments	-	-	-
Accounts receivable:			
Other taxes	-	-	-
Intergovernmental	-	56,646	-
Accrued interest	-	-	-
<i>Total assets</i>	\$ 6,898	\$ 98,782	\$ 8,989
LIABILITIES AND FUND BALANCES			
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	22,617	-
<i>Total liabilities</i>	-	22,617	-
<i>Fund Balances</i>			
<i>Spendable</i>			
Restricted fund balances			
General county operations	-	-	8,989
Public safety	-	-	-
County road	-	-	-
Culture and recreation	6,898	76,165	-
Health and welfare	-	-	-
County property valuation	-	-	-
Debt service	-	-	-
Committed fund balances			
Capital projects	-	-	-
Unassigned fund balances	-	-	-
<i>Total fund balances</i>	6,898	76,165	8,989
<i>Total liabilities and fund balances</i>	\$ 6,898	\$ 98,782	\$ 8,989

The accompanying notes are an integral part of these financial statements

Special Revenue

Sheriff Grants	NM Youth Conservation Corps	NM Youth Alliance	DOH CHI CNS Grants- Maternal/Child Health	Behavioral Health Grants	Department of Homeland Security and Emergency Management
\$ 2,005	\$ -	\$ 1	\$ -	\$ 1	\$ 34
-	-	-	-	-	-
-	-	-	-	-	-
15,675	8,624	-	54,327	166,157	22,939
-	-	-	-	-	-
<u>\$ 17,680</u>	<u>\$ 8,624</u>	<u>\$ 1</u>	<u>\$ 54,327</u>	<u>\$ 166,158</u>	<u>\$ 22,973</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22,232	8,624	-	50,990	113,051	25,078
<u>22,232</u>	<u>8,624</u>	<u>-</u>	<u>50,990</u>	<u>113,051</u>	<u>25,078</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1	3,337	53,107	-
-	-	-	-	-	-
-	-	-	-	-	-
(4,552)	-	-	-	-	(2,105)
<u>(4,552)</u>	<u>-</u>	<u>1</u>	<u>3,337</u>	<u>53,107</u>	<u>(2,105)</u>
\$ 17,680	\$ 8,624	\$ 1	\$ 54,327	\$ 166,158	\$ 22,973

STATE OF NEW MEXICO
 Rio Arriba County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2015

	Special Revenue		Capital Projects
	RAJJB	Inmate Evercom Phone	Senior Appropriations Capital Projects
ASSETS			
Cash and cash equivalents	\$ -	\$ 41,224	\$ -
Investments	-	-	-
Accounts receivable:			
Other taxes	-	-	-
Intergovernmental	12,681	-	159,293
Accrued interest	-	-	-
<i>Total assets</i>	\$ 12,681	\$ 41,224	\$ 159,293
LIABILITIES AND FUND BALANCES			
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	40,833	-	203,092
<i>Total liabilities</i>	40,833	-	203,092
<i>Fund Balances</i>			
<i>Spendable</i>			
Restricted fund balances			
General county operations	-	-	-
Public safety	-	41,224	-
County road	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
County property valuation	-	-	-
Debt service	-	-	-
Committed fund balances			
Capital projects	-	-	-
Unassigned fund balances	(28,152)	-	(43,799)
<i>Total fund balances</i>	(28,152)	41,224	(43,799)
<i>Total liabilities and fund balances</i>	\$ 12,681	\$ 41,224	\$ 159,293

The accompanying notes are an integral part of these financial statements

Capital Projects

Landfill Closure	Fire District Bond Funds	EMS Bond Fund	Total Non-Major Governmental Funds
\$ 87,831	\$ 102,476	\$ 44,357	\$ 8,283,335
-	0	-	-
-	-	-	450,996
-	-	-	644,237
-	-	-	-
\$ 87,831	\$ 102,476	\$ 44,357	\$ 9,378,568
\$ -	\$ -	\$ -	\$ 79,962
-	-	-	668,306
-	-	-	748,268
-	-	-	378,760
-	-	-	4,712,371
-	-	-	2,331,691
-	-	-	221,220
-	-	-	474,189
-	-	-	359,296
-	-	-	-
87,831	102,476	44,357	234,664
-	-	-	(81,891)
87,831	102,476	44,357	8,630,300
\$ 87,831	\$ 102,476	\$ 44,357	\$ 9,378,568

STATE OF NEW MEXICO
Rio Arriba County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2015

	Special Revenue		
	Jail Operations	Solid Waste	County Property Evaluation
<i>Revenues</i>			
Taxes:			
Property	\$ -	\$ -	\$ 139,790
Gross receipts	-	267,703	-
Gasoline and motor vehicle	-	-	-
Lodgers	-	-	-
Federal operating grants	-	-	-
State operating grants	-	100,000	134
State capital grants	-	-	-
Charges for services	161,994	-	-
Licenses and permits	-	-	-
Investment income	-	(2,430)	-
Miscellaneous	-	-	-
<i>Total revenues</i>	161,994	365,273	139,924
<i>Expenditures</i>			
Current			
General government	161,994	-	-
Public safety	-	254,198	81,211
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	187,906	-
Interest	-	152,951	-
<i>Total expenditures</i>	161,994	595,055	81,211
<i>Excess (deficiency) of revenues over expenditures</i>	-	(229,782)	58,713
<i>Other financing sources (uses)</i>			
Proceeds from sale of assets	-	-	-
Transfers in	-	250,734	-
Transfers (out)	-	-	-
<i>Total other financing sources (uses)</i>	-	250,734	-
<i>Net change in fund balances</i>	-	20,952	58,713
<i>Fund balances - beginning of year</i>	-	182,238	300,583
<i>Fund balances - end of year</i>	\$ -	\$ 203,190	\$ 359,296

The accompanying notes are an integral part of these financial statements

Special Revenue

County Road Projects	Emergency Communications/ EMS	Farm and Range Improvement	Law Enforcement	Lodger's Tax Act	Recreation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,198,966	-	-	-	-
418,791	-	-	-	-	-
-	-	-	-	64,375	-
814,290	-	5,012	-	-	-
467,991	62	-	42,007	-	-
-	-	-	-	-	-
-	-	-	-	-	1,553
1,806	-	-	-	-	-
-	(21,870)	-	-	-	-
-	-	-	-	-	-
<u>1,702,878</u>	<u>1,177,158</u>	<u>5,012</u>	<u>42,007</u>	<u>64,375</u>	<u>1,553</u>
-	-	-	-	-	-
-	1,068,639	28,574	42,007	-	-
1,617,913	-	-	-	-	-
-	-	-	-	66,110	6,295
-	-	-	-	-	-
368,648	170,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,986,561</u>	<u>1,238,639</u>	<u>28,574</u>	<u>42,007</u>	<u>66,110</u>	<u>6,295</u>
<u>(283,683)</u>	<u>(61,481)</u>	<u>(23,562)</u>	<u>-</u>	<u>(1,735)</u>	<u>(4,742)</u>
-	-	-	-	-	-
500,000	1,825	29,000	-	-	-
-	-	-	-	-	-
<u>500,000</u>	<u>1,825</u>	<u>29,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
216,317	(59,656)	5,438	-	(1,735)	(4,742)
688,375	1,265,033	-	-	80,600	5,489
<u>\$ 904,692</u>	<u>\$ 1,205,377</u>	<u>\$ 5,438</u>	<u>\$ -</u>	<u>\$ 78,865</u>	<u>\$ 747</u>

STATE OF NEW MEXICO
 Rio Arriba County
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2015

	Special Revenue		
	Senior Citizen Program	County Fire Protection	Clerk's Recording and Filing Fees
<i>Revenues</i>			
Taxes:			
Property	\$ -	\$ -	\$ -
Gross receipts	-	587,645	-
Gasoline and motor vehicle	-	-	-
Lodgers	-	-	-
Federal operating grants	319,412	-	-
State operating grants	589,799	-	-
State capital grants	-	-	-
Charges for services	99,405	-	110,740
Licenses and permits	-	-	-
Investment income	-	(21,870)	-
Miscellaneous	68,742	199,313	-
<i>Total revenues</i>	<u>1,077,358</u>	<u>765,088</u>	<u>110,740</u>
<i>Expenditures</i>			
Current			
General government	-	-	50,404
Public safety	-	84,032	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	1,873,271	-	-
Capital outlay	-	372,417	18,744
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>1,873,271</u>	<u>456,449</u>	<u>69,148</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(795,913)</u>	<u>308,639</u>	<u>41,592</u>
<i>Other financing sources (uses)</i>			
Proceeds from sale of assets	1,081	-	-
Transfers in	1,009,874	-	-
Transfers (out)	(5,704)	-	-
<i>Total other financing sources (uses)</i>	<u>1,005,251</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	209,338	308,639	41,592
<i>Fund balances - beginning of year</i>	<u>58,323</u>	<u>1,176,066</u>	<u>328,179</u>
<i>Fund balances - end of year</i>	<u>\$ 267,661</u>	<u>\$ 1,484,705</u>	<u>\$ 369,771</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Correctional Facility	DWI Grants	Fire Department Funds	EMS Funds	New Mexico State Library	Forest Reserve Title III
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
592,877	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	143,698
-	800,186	1,762,051	769	14,906	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(19,440)
9,605	60,965	23	-	7,083	-
<u>602,482</u>	<u>861,151</u>	<u>1,762,074</u>	<u>769</u>	<u>21,989</u>	<u>124,258</u>
-	-	-	-	25,272	-
703,070	874,307	813,097	87,568	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	546,283	-	-	-
-	-	54,827	-	-	-
-	-	-	-	-	-
<u>703,070</u>	<u>874,307</u>	<u>1,414,207</u>	<u>87,568</u>	<u>25,272</u>	<u>-</u>
<u>(100,588)</u>	<u>(13,156)</u>	<u>347,867</u>	<u>(86,799)</u>	<u>(3,283)</u>	<u>124,258</u>
-	-	8,462	-	-	-
-	19,378	102,901	-	-	-
-	(1,044)	(95,336)	(1,825)	-	-
-	18,334	16,027	(1,825)	-	-
(100,588)	5,178	363,894	(88,624)	(3,283)	124,258
129,647	68,143	1,506,982	96,433	-	1,302,741
<u>\$ 29,059</u>	<u>\$ 73,321</u>	<u>\$ 1,870,876</u>	<u>\$ 7,809</u>	<u>\$ (3,283)</u>	<u>\$ 1,426,999</u>

STATE OF NEW MEXICO
Rio Arriba County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2015

	Special Revenue		
	NMCF Regional Food Hub/Sostenga Kitchen	Summer Food Program	SCAAP
<i>Revenues</i>			
Taxes:			
Property	\$ -	\$ -	\$ -
Gross receipts	-	-	-
Gasoline and motor vehicle	-	-	-
Lodgers	-	-	-
Federal operating grants	-	-	6,236
State operating grants	-	192,837	-
State capital grants	-	-	-
Charges for services	-	-	-
Licenses and permits	-	-	-
Investment income	10,000	76,750	-
Miscellaneous	-	-	-
<i>Total revenues</i>	10,000	269,587	6,236
<i>Expenditures</i>			
Current			
General government	-	-	7,040
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	3,102	-	-
Health and welfare	-	199,110	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	3,102	199,110	7,040
<i>Excess (deficiency) of revenues over expenditures</i>	6,898	70,477	(804)
<i>Other financing sources (uses)</i>			
Proceeds from sale of assets	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net change in fund balances</i>	6,898	70,477	(804)
<i>Fund balances - beginning of year</i>	-	5,688	9,793
<i>Fund balances - end of year</i>	\$ 6,898	\$ 76,165	\$ 8,989

The accompanying notes are an integral part of these financial statements

Special Revenue

Sheriff Grants	NM Youth Conservation Corps	NM Yout Alliance	DOH CHI CNS Grants- Maternal/Child Health	Behavioral Health Grants	Dept. of Homeland Security and Emergency Management
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,027	-	-	9,843	1,645	2,487
6,149	-	-	130,863	592,926	16,816
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(68,670)	30,715	1,200	-	80	167,467
<u>(47,494)</u>	<u>30,715</u>	<u>1,200</u>	<u>140,706</u>	<u>594,651</u>	<u>186,770</u>
-	-	-	-	-	-
68,417	-	-	-	-	185,592
-	-	-	-	-	-
-	-	-	-	-	-
-	21,916	1,199	137,369	516,569	-
14,412	8,799	-	-	11,949	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>82,829</u>	<u>30,715</u>	<u>1,199</u>	<u>137,369</u>	<u>528,518</u>	<u>185,592</u>
<u>(130,323)</u>	<u>-</u>	<u>1</u>	<u>3,337</u>	<u>66,133</u>	<u>1,178</u>
-	-	-	-	-	-
126,416	-	-	-	-	-
(645)	-	-	-	(13,026)	(3,283)
<u>125,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,026)</u>	<u>(3,283)</u>
(4,552)	-	1	3,337	53,107	(2,105)
-	-	-	-	-	-
<u>\$ (4,552)</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 3,337</u>	<u>\$ 53,107</u>	<u>\$ (2,105)</u>

STATE OF NEW MEXICO
Rio Arriba County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2015

	Special Revenue		Capital Projects
	RAJJB	Inmate Evercom Phone	Senior Appropriations Capital Projects
<i>Revenues</i>			
Taxes:			
Property	\$ -	\$ -	\$ -
Gross receipts	-	-	-
Gasoline and motor vehicle	-	-	-
Lodgers	-	-	-
Federal operating grants	-	-	-
State operating grants	145,912	-	-
State capital grants	-	-	219,293
Charges for services	-	-	-
Licenses and permits	-	-	-
Investment income	-	-	-
Miscellaneous	-	19,470	-
<i>Total revenues</i>	145,912	19,470	219,293
<i>Expenditures</i>			
Current			
General government	-	-	4,873
Public safety	-	23,139	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	174,064	-	-
Capital outlay	-	-	258,219
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	174,064	23,139	263,092
<i>Excess (deficiency) of revenues over expenditures</i>	(28,152)	(3,669)	(43,799)
<i>Other financing sources (uses)</i>			
Proceeds from sale of assets	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net change in fund balances</i>	(28,152)	(3,669)	(43,799)
<i>Fund balances - beginning of year</i>	-	44,893	-
<i>Fund balances - end of year</i>	\$ (28,152)	\$ 41,224	\$ (43,799)

The accompanying notes are an integral part of these financial statements

Capital Projects

Landfill Closure	Fire District Bond Funds	EMS Bond Fund	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 139,790
-	-	-	2,647,191
-	-	-	418,791
-	-	-	64,375
-	-	-	1,317,650
-	-	-	4,863,408
-	-	-	219,293
-	-	-	373,692
-	-	-	1,806
-	(2,430)	-	18,710
-	-	-	495,993
-	(2,430)	-	10,560,699
-	-	-	249,583
-	-	-	4,313,851
844	-	-	1,618,757
-	-	-	75,507
-	-	-	2,923,498
-	-	-	1,769,471
-	-	-	242,733
-	-	-	152,951
844	-	-	11,346,351
(844)	(2,430)	-	(785,652)
-	-	-	9,543
-	95,336	-	2,135,464
-	(99,670)	-	(220,533)
-	(4,334)	-	1,924,474
(844)	(6,764)	-	1,138,822
88,675	109,240	44,357	7,491,478
\$ 87,831	\$ 102,476	\$ 44,357	\$ 8,630,300

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STATE OF NEW MEXICO

Statement B-1

Rio Arriba County

Jail Operations Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	95,000	161,994	161,994	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>95,000</u>	<u>161,994</u>	<u>161,994</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	95,000	161,994	161,994	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>95,000</u>	<u>161,994</u>	<u>161,994</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balances (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-2

Rio Arriba County

Solid Waste Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	195,000	195,000	265,423	70,423
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	100,000	100,000
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>195,000</u>	<u>195,000</u>	<u>365,423</u>	<u>170,423</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	102,592	254,197	254,198	(1)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	275,001	191,196	187,906	3,290
Interest	70,845	153,045	152,951	94
<i>Total expenditures</i>	<u>448,438</u>	<u>598,438</u>	<u>595,055</u>	<u>3,383</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(253,438)</u>	<u>(403,438)</u>	<u>(229,632)</u>	<u>173,806</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	153,438	153,438	-	(153,438)
Transfers in	100,000	250,000	250,734	734
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>253,438</u>	<u>403,438</u>	<u>250,734</u>	<u>(152,704)</u>
<i>Net change in fund balances</i>	-	-	21,102	21,102
<i>Fund balances - beginning of year</i>	-	-	140,938	140,938
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,040</u>	<u>\$ 162,040</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 21,102
Adjustments to revenues for gross receipts taxes				(150)
No adjustments to expenditures				-
Net change in fund balances (GAAP)				<u>\$ 20,952</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

Rio Arriba County

County Property Evaluation Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in

Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ 100,000	\$ 100,000	\$ 139,790	\$ 39,790
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	134	134
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>100,000</u>	<u>100,000</u>	<u>139,924</u>	<u>39,924</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	249,170	249,170	69,902	179,268
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	151,413	151,413	11,309	140,104
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>400,583</u>	<u>400,583</u>	<u>81,211</u>	<u>319,372</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(300,583)</u>	<u>(300,583)</u>	<u>58,713</u>	<u>359,296</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	300,583	300,583	-	(300,583)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>300,583</u>	<u>300,583</u>	<u>-</u>	<u>(300,583)</u>
<i>Net change in fund balances</i>	-	-	58,713	58,713
<i>Fund balances - beginning of year</i>	-	-	300,583	300,583
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 359,296</u>	<u>\$ 359,296</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 58,713
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balances (GAAP)				<u>\$ 58,713</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

Rio Arriba County

County Road Projects Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	325,000	325,000	456,768	131,768
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	664,397	664,397	814,290	149,893
State operating grants	167,507	554,157	467,991	(86,166)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	1,806	1,806
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,156,904</u>	<u>1,543,554</u>	<u>1,740,855</u>	<u>197,301</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,791,491	1,806,091	1,605,051	201,040
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	227,507	599,557	396,180	203,377
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,018,998</u>	<u>2,405,648</u>	<u>2,001,231</u>	<u>404,417</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(862,094)</u>	<u>(862,094)</u>	<u>(260,376)</u>	<u>601,718</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	362,094	362,094	-	(362,094)
Transfers in	500,000	500,000	500,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>862,094</u>	<u>862,094</u>	<u>500,000</u>	<u>(362,094)</u>
<i>Net change in fund balances</i>	-	-	239,624	239,624
<i>Fund balances - beginning of year</i>	-	-	643,213	643,213
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 882,837</u>	<u>\$ 882,837</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 239,624
Adjustments to revenues for taxes and state operating grants				(37,977)
Adjustments to expenditures for maintenance of roads				14,670
Net change in fund balances (GAAP)				<u>\$ 216,317</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

Rio Arriba County

Emergency Communication/EMS Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in

Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	850,000	850,000	1,191,552	341,552
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	62	62
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>850,000</u>	<u>850,000</u>	<u>1,191,614</u>	<u>341,614</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	1,275,740	1,432,471	1,293,416	139,055
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	861,603	704,871	170,000	534,871
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,137,343</u>	<u>2,137,342</u>	<u>1,463,416</u>	<u>673,926</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,287,343)</u>	<u>(1,287,342)</u>	<u>(271,802)</u>	<u>1,015,540</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,287,343	1,285,517	-	(1,285,517)
Transfers in	-	1,825	1,825	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,287,343</u>	<u>1,287,342</u>	<u>1,825</u>	<u>(1,285,517)</u>
<i>Net change in fund balances</i>	-	-	(269,977)	(269,977)
<i>Fund balances - beginning of year</i>	-	-	1,287,343	1,287,343
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,017,366</u>	<u>\$ 1,017,366</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (269,977)
Adjustments to revenues for gross receipts taxes				(14,456)
Adjustments to expenditures for contractual services				224,777
Net change in fund balances (GAAP)				<u>\$ (59,656)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-6

Rio Arriba County

Farm and Range Improvement Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in

Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	4,500	5,012	5,012	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,500</u>	<u>5,012</u>	<u>5,012</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	33,500	34,012	28,574	5,438
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>33,500</u>	<u>34,012</u>	<u>28,574</u>	<u>5,438</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(29,000)</u>	<u>(29,000)</u>	<u>(23,562)</u>	<u>5,438</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	29,000	29,000	29,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	5,438	5,438
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,438</u>	<u>\$ 5,438</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 5,438
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balances (GAAP)				<u>\$ 5,438</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

Rio Arriba County

Law Enforcement Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	2,330	2,330	-
State operating grants	40,200	40,200	40,200	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>40,200</u>	<u>42,530</u>	<u>42,530</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	23,000	24,741	24,741	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	17,200	17,789	17,789	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>40,200</u>	<u>42,530</u>	<u>42,530</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ -
Adjustments to revenues for state operating grants				(523)
Adjustments to expenditures for supplies				523
Net change in fund balances (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

Rio Arriba County

Lodgers' Tax Act Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	50,000	64,030	64,375	345
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>50,000</u>	<u>64,030</u>	<u>64,375</u>	<u>345</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	134,645	148,674	70,155	78,519
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>134,645</u>	<u>148,674</u>	<u>70,155</u>	<u>78,519</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(84,645)</u>	<u>(84,644)</u>	<u>(5,780)</u>	<u>78,864</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	84,645	84,644	-	(84,644)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>84,645</u>	<u>84,644</u>	<u>-</u>	<u>(84,644)</u>
<i>Net change in fund balances</i>	-	-	(5,780)	(5,780)
<i>Fund balances - beginning of year</i>	-	-	84,645	84,645
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,865</u>	<u>\$ 78,865</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (5,780)
No adjustments to revenues				-
Adjustments to expenditures for lodger's tax operating costs				4,045
Net change in fund balances (GAAP)				<u>\$ (1,735)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

Rio Arriba County

Recreation Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	1,553	1,553	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	1,553	1,553	-
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	5,489	7,042	6,295	747
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	5,489	7,042	6,295	747
<i>Excess (deficiency) of revenues over expenditures</i>	(5,489)	(5,489)	(4,742)	747
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	5,489	5,489	-	(5,489)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	5,489	5,489	-	(5,489)
<i>Net change in fund balances</i>	-	-	(4,742)	(4,742)
<i>Fund balances - beginning of year</i>	-	-	5,489	5,489
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 747	\$ 747
Net change in fund balances (non-GAAP budgetary basis)				\$ (4,742)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balances (GAAP)				\$ (4,742)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

Rio Arriba County

Senior Citizen Program Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	264,425	302,264	319,412	17,148
State operating grants	532,599	539,260	589,799	50,539
State capital grants	-	-	-	-
Charges for services	742	99,405	99,405	-
Licenses and permits	-	-	-	-
Miscellaneous	-	56,000	68,742	12,742
<i>Total revenues</i>	<u>797,766</u>	<u>996,929</u>	<u>1,077,358</u>	<u>80,429</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	1,865,993	2,014,955	1,873,301	141,654
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,865,993</u>	<u>2,014,955</u>	<u>1,873,301</u>	<u>141,654</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,068,227)</u>	<u>(1,018,026)</u>	<u>(795,943)</u>	<u>222,083</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	58,353	13,856	-	(13,856)
Transfers in	1,009,874	1,009,874	1,009,874	-
Transfers (out)	-	(5,704)	(5,704)	-
Gain on sale of asset	-	-	1,081	1,081
<i>Total other financing sources (uses)</i>	<u>1,068,227</u>	<u>1,018,026</u>	<u>1,005,251</u>	<u>(12,775)</u>
<i>Net change in fund balances</i>	-	-	209,308	209,308
<i>Fund balances - beginning of year</i>	-	-	58,353	58,353
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,661</u>	<u>\$ 267,661</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 209,308
No adjustments to revenues				-
Adjustments to expenditures for commodities received and oil and gas costs				30
Net change in fund balances (GAAP)				<u>\$ 209,338</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

Rio Arriba County

County Fire Protection Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	430,000	430,000	583,136	153,136
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>430,000</u>	<u>430,000</u>	<u>583,136</u>	<u>153,136</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	210,000	210,000	84,032	125,968
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,487,059	1,487,059	372,417	1,114,642
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,697,059</u>	<u>1,697,059</u>	<u>456,449</u>	<u>1,240,610</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,267,059)</u>	<u>(1,267,059)</u>	<u>126,687</u>	<u>1,393,746</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,267,059	1,267,059	-	(1,267,059)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,267,059</u>	<u>1,267,059</u>	<u>-</u>	<u>(1,267,059)</u>
<i>Net change in fund balances</i>	-	-	126,687	126,687
<i>Fund balances - beginning of year</i>	-	-	1,267,059	1,267,059
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,393,746</u>	<u>\$ 1,393,746</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 126,687
Adjustments to revenues for gross receipts taxes				(17,361)
Adjustments to expenditures for property and liability costs				199,313
Net change in fund balances (GAAP)				<u>\$ 308,639</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

Rio Arriba County

Clerk's Recording and Filing Fees Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in

Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	50,000	50,000	110,740	60,740
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>50,000</u>	<u>50,000</u>	<u>110,740</u>	<u>60,740</u>
<i>Expenditures</i>				
Current:				
General government	195,000	197,000	37,190	159,810
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	183,179	181,179	31,958	149,221
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>378,179</u>	<u>378,179</u>	<u>69,148</u>	<u>309,031</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(328,179)</u>	<u>(328,179)</u>	<u>41,592</u>	<u>369,771</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	328,179	328,179	-	(328,179)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>328,179</u>	<u>328,179</u>	<u>-</u>	<u>(328,179)</u>
<i>Net change in fund balances</i>	-	-	41,592	41,592
<i>Fund balances - beginning of year</i>	-	-	328,179	328,179
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 369,771</u>	<u>\$ 369,771</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 41,592
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balances (GAAP)				<u>\$ 41,592</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

Rio Arriba County

Correctional Facility Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	470,000	589,328	589,328	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	9,605	9,605	-
<i>Total revenues</i>	<u>470,000</u>	<u>598,933</u>	<u>598,933</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	514,331	643,264	643,264	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>514,331</u>	<u>643,264</u>	<u>643,264</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(44,331)</u>	<u>(44,331)</u>	<u>(44,331)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	44,331	44,331	-	(44,331)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>44,331</u>	<u>44,331</u>	<u>-</u>	<u>(44,331)</u>
<i>Net change in fund balances</i>	-	-	(44,331)	(44,331)
<i>Fund balances - beginning of year</i>	-	-	44,331	44,331
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (44,331)
Adjustments to revenues for gross receipts taxes				3,549
Adjustments to expenditures for salaries				(59,806)
Net change in fund balances (GAAP)				<u>\$ (100,588)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

Rio Arriba County

DWI Grants Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	873,382	957,342	787,802	(169,540)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	60,965	60,965	-
<i>Total revenues</i>	<u>873,382</u>	<u>1,018,307</u>	<u>848,767</u>	<u>(169,540)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	830,402	975,311	874,307	101,004
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>830,402</u>	<u>975,311</u>	<u>874,307</u>	<u>101,004</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>42,980</u>	<u>42,996</u>	<u>(25,540)</u>	<u>(68,536)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(61,340)	(61,330)	-	61,330
Transfers in	18,360	19,378	19,378	-
Transfers (out)	-	(1,044)	(1,044)	-
<i>Total other financing sources (uses)</i>	<u>(42,980)</u>	<u>(42,996)</u>	<u>18,334</u>	<u>61,330</u>
<i>Net change in fund balances</i>	-	-	(7,206)	(7,206)
<i>Fund balances - beginning of year</i>	-	-	(61,338)	(61,338)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68,544)</u>	<u>\$ (68,544)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (7,206)
Adjustments to revenues for state operating grants				12,384
No adjustments to expenditures				-
Net change in fund balances (GAAP)				<u>\$ 5,178</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

Rio Arriba County

Fire Department Funds Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	1,408,813	1,772,051	1,762,051	(10,000)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	23	23	-
<i>Total revenues</i>	<u>1,408,813</u>	<u>1,772,074</u>	<u>1,762,074</u>	<u>(10,000)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	1,272,977	2,066,699	808,625	1,258,074
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	20,882	1,070,843	550,927	519,916
Debt service:				
Principal	26,500	51,596	54,827	(3,231)
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,320,359</u>	<u>3,189,138</u>	<u>1,414,379</u>	<u>1,774,759</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>88,454</u>	<u>(1,417,064)</u>	<u>347,695</u>	<u>1,764,759</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	6,882	1,421,192	-	(1,421,192)
Transfers in	-	99,670	102,901	3,231
Transfers (out)	(95,336)	(95,336)	(95,336)	-
Gain on sale of asset	-	(8,462)	8,462	16,924
<i>Total other financing sources (uses)</i>	<u>(88,454)</u>	<u>1,417,064</u>	<u>16,027</u>	<u>(1,401,037)</u>
<i>Net change in fund balances</i>	-	-	363,722	363,722
<i>Fund balances - beginning of year</i>	-	-	1,507,154	1,507,154
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,870,876</u>	<u>\$ 1,870,876</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 363,722
No adjustments to revenues				-
Adjustments to expenditures for fire department operating costs				172
Net change in fund balances (GAAP)				<u>\$ 363,894</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

Rio Arriba County

EMS Funds Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	87,299	90,721	90,721	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>87,299</u>	<u>90,721</u>	<u>90,721</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	69,809	90,967	83,270	7,697
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	17,490	4,410	4,298	112
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>87,299</u>	<u>95,377</u>	<u>87,568</u>	<u>7,809</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(4,656)</u>	<u>3,153</u>	<u>7,809</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	6,481	-	(6,481)
Transfers in	-	-	-	-
Transfers (out)	-	(1,825)	(1,825)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>4,656</u>	<u>(1,825)</u>	<u>(6,481)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,328</u>	<u>1,328</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,481</u>	<u>6,481</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,809</u>	<u>\$ 7,809</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 1,328
Adjustments to revenues for state operating grants				(89,952)
No adjustments to expenditures				-
Net change in fund balances (GAAP)				<u>\$ (88,624)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

Rio Arriba County

New Mexico State Library Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in

Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	33,098	36,346	15,744	(20,602)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	7,083	7,083	7,083	-
<i>Total revenues</i>	<u>40,181</u>	<u>43,429</u>	<u>22,827</u>	<u>(20,602)</u>
<i>Expenditures</i>				
Current:				
General government	33,313	36,561	25,272	11,289
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>33,313</u>	<u>36,561</u>	<u>25,272</u>	<u>11,289</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>6,868</u>	<u>6,868</u>	<u>(2,445)</u>	<u>(9,313)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(6,868)	(6,868)	-	6,868
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(6,868)</u>	<u>(6,868)</u>	<u>-</u>	<u>6,868</u>
<i>Net change in fund balances</i>	-	-	(2,445)	(2,445)
<i>Fund balances - beginning of year</i>	-	-	(6,868)	(6,868)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,313)</u>	<u>\$ (9,313)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (2,445)
Adjustments to revenues for prior year miscellaneous reimbursements				(838)
No adjustments to expenditures				-
Net change in fund balances (GAAP)				<u>\$ (3,283)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

Rio Arriba County

Forest Reserve Title III Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	126,572	126,572	143,698	17,126
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>126,572</u>	<u>126,572</u>	<u>143,698</u>	<u>17,126</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,409,872	1,390,872	-	1,390,872
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,409,872</u>	<u>1,390,872</u>	<u>-</u>	<u>1,390,872</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,283,300)</u>	<u>(1,264,300)</u>	<u>143,698</u>	<u>1,407,998</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,283,300	1,264,300	-	(1,264,300)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,283,300</u>	<u>1,264,300</u>	<u>-</u>	<u>(1,264,300)</u>
<i>Net change in fund balances</i>	-	-	143,698	143,698
<i>Fund balances - beginning of year</i>	-	-	1,283,301	1,283,301
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,426,999</u>	<u>\$ 1,426,999</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 143,698
Adjustments to revenues for grant revenues				(19,440)
No adjustments to expenditures				-
Net change in fund balances (GAAP)				<u>\$ 124,258</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

Rio Arriba County

NMCf Regional Food Hub/Sostenga Kitchen Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in

Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	10,000	10,000	-
<i>Total revenues</i>	-	10,000	10,000	-
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	10,000	3,102	6,898
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	10,000	3,102	6,898
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	6,898	6,898
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	6,898	6,898
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 6,898	\$ 6,898
Net change in fund balances (non-GAAP budgetary basis)				\$ 6,898
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balances (GAAP)				\$ 6,898

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

Rio Arriba County

Summer Food Program Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	117,307	307,635	136,191	(171,444)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	1,750	126,817	76,750	(50,067)
<i>Total revenues</i>	<u>119,057</u>	<u>434,452</u>	<u>212,941</u>	<u>(221,511)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	127,040	336,781	201,406	135,375
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>127,040</u>	<u>336,781</u>	<u>201,406</u>	<u>135,375</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,983)</u>	<u>97,671</u>	<u>11,535</u>	<u>(86,136)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	7,983	(97,671)	-	97,671
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,983</u>	<u>(97,671)</u>	<u>-</u>	<u>97,671</u>
<i>Net change in fund balances</i>	-	-	11,535	11,535
<i>Fund balances - beginning of year</i>	-	-	7,984	7,984
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,519</u>	<u>\$ 19,519</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 11,535
Adjustments to revenues for state operating grants				56,646
Adjustments to expenditures for operating costs				2,296
Net change in fund balances (GAAP)				<u>\$ 70,477</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

Rio Arriba County

SCAAP Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	6,236	6,236	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	6,236	6,236	-
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	9,793	16,029	7,040	8,989
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	9,793	16,029	7,040	8,989
<i>Excess (deficiency) of revenues over expenditures</i>	(9,793)	(9,793)	(804)	8,989
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	9,793	9,793	-	(9,793)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	9,793	9,793	-	(9,793)
<i>Net change in fund balances</i>	-	-	(804)	(804)
<i>Fund balances - beginning of year</i>	-	-	9,793	9,793
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 8,989	\$ 8,989
Net change in fund balances (non-GAAP budgetary basis)				\$ (804)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balances (GAAP)				\$ (804)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

Rio Arriba County

Sheriff Grants Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	14,448	25,597	2,460	(23,137)
State operating grants	160,945	135,623	11,272	(124,351)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	19,816	30,024	8,670	(21,354)
<i>Total revenues</i>	<u>195,209</u>	<u>191,244</u>	<u>22,402</u>	<u>(168,842)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	83,050	90,173	68,417	21,756
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	26,589	16,066	14,412	1,654
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>109,639</u>	<u>106,239</u>	<u>82,829</u>	<u>23,410</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>85,570</u>	<u>85,005</u>	<u>(60,427)</u>	<u>(145,432)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(85,570)	(210,776)	-	210,776
Transfers in	-	126,416	126,416	-
Transfers (out)	-	(645)	(645)	-
<i>Total other financing sources (uses)</i>	<u>(85,570)</u>	<u>(85,005)</u>	<u>125,771</u>	<u>210,776</u>
<i>Net change in fund balances</i>	-	-	65,344	65,344
<i>Fund balances - beginning of year</i>	-	-	(85,571)	(85,571)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,227)</u>	<u>\$ (20,227)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 65,344
Adjustments to revenues for operating grants				(69,896)
No adjustments to expenditures				-
Net change in fund balances (GAAP)				<u>\$ (4,552)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

Rio Arriba County

NMYouth Conservation Corps Program Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	85,498	22,091	(63,407)
<i>Total revenues</i>	-	85,498	22,091	(63,407)
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	72,332	20,143	52,189
Capital outlay	-	13,166	10,572	2,594
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	85,498	30,715	54,783
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(8,624)	(8,624)
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(8,624)	(8,624)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (8,624)	\$ (8,624)
Net change in fund balances (non-GAAP budgetary basis)				\$ (8,624)
Adjustments to revenues for state operating grants				8,624
No adjustments to expenditures				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

Rio Arriba County

NM Youth Alliance Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	1,200	1,200	-
<i>Total revenues</i>	-	1,200	1,200	-
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	1,255	1,199	56
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	1,255	1,199	56
<i>Excess (deficiency) of revenues over expenditures</i>	-	(55)	1	56
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	55	-	(55)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	55	-	(55)
<i>Net change in fund balances</i>	-	-	1	1
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1	\$ 1
Net change in fund balances (non-GAAP budgetary basis)				\$ 1
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balances (GAAP)				\$ 1

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

Rio Arriba County

DOH CHI CNS Grants Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	14,788	9,843	(4,945)
State operating grants	74,550	208,135	117,342	(90,793)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>74,550</u>	<u>222,923</u>	<u>127,185</u>	<u>(95,738)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	33,743	182,116	137,369	44,747
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>33,743</u>	<u>182,116</u>	<u>137,369</u>	<u>44,747</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>40,807</u>	<u>40,807</u>	<u>(10,184)</u>	<u>(50,991)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(40,807)	(40,807)	-	40,807
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(40,807)</u>	<u>(40,807)</u>	<u>-</u>	<u>40,807</u>
<i>Net change in fund balances</i>	-	-	(10,184)	(10,184)
<i>Fund balances - beginning of year</i>	-	-	(40,806)	(40,806)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,990)</u>	<u>\$ (50,990)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (10,184)
Adjustments to revenues for state operating grants				13,521
No adjustments to expenditures				-
Net change in fund balances (GAAP)				<u>\$ 3,337</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

Rio Arriba County

Behavioral Health Grants Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	125,704	125,704	92,981	(32,723)
State operating grants	288,678	561,807	459,492	(102,315)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	80	80
<i>Total revenues</i>	<u>414,382</u>	<u>687,511</u>	<u>552,553</u>	<u>(134,958)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	292,609	500,141	483,795	16,346
Capital outlay	-	50,501	44,939	5,562
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>292,609</u>	<u>550,642</u>	<u>528,734</u>	<u>21,908</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>121,773</u>	<u>136,869</u>	<u>23,819</u>	<u>(113,050)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(121,773)	(123,843)	-	123,843
Transfers in	-	-	-	-
Transfers (out)	-	(13,026)	(13,026)	-
<i>Total other financing sources (uses)</i>	<u>(121,773)</u>	<u>(136,869)</u>	<u>(13,026)</u>	<u>123,843</u>
<i>Net change in fund balances</i>	-	-	10,793	10,793
<i>Fund balances - beginning of year</i>	-	-	(123,843)	(123,843)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (113,050)</u>	<u>\$ (113,050)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 10,793
Adjustments to revenues for state operating grants				42,098
Adjustments to expenditures for operating costs				216
Net change in fund balances (GAAP)				<u>\$ 53,107</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

Rio Arriba County

Dept. of Homeland Security & Emergency Management Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in

Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	33,241	33,241	23,043	(10,198)
State operating grants	30,514	22,708	16,816	(5,892)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	167,471	144,528	(22,943)
<i>Total revenues</i>	<u>63,755</u>	<u>223,420</u>	<u>184,387</u>	<u>(39,033)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	41,130	199,552	185,592	13,960
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>41,130</u>	<u>199,552</u>	<u>185,592</u>	<u>13,960</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>22,625</u>	<u>23,868</u>	<u>(1,205)</u>	<u>(25,073)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(22,625)	(20,585)	-	20,585
Transfers in	-	-	-	-
Transfers (out)	-	(3,283)	(3,283)	-
<i>Total other financing sources (uses)</i>	<u>(22,625)</u>	<u>(23,868)</u>	<u>(3,283)</u>	<u>20,585</u>
<i>Net change in fund balances</i>	-	-	(4,488)	(4,488)
<i>Fund balances - beginning of year</i>	-	-	(20,556)	(20,556)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,044)</u>	<u>\$ (25,044)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (4,488)
Adjustments to revenues for state operating grants				2,383
No adjustments to expenditures				-
Net change in fund balances (GAAP)				<u>\$ (2,105)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

Rio Arriba County

RAJJB Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	193,959	193,959	132,343	(61,616)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	39,221	39,591	40,108	517
<i>Total revenues</i>	<u>233,180</u>	<u>233,550</u>	<u>172,451</u>	<u>(61,099)</u>
<i>Expenditures</i>				
Current:				
General government	193,960	194,330	174,064	20,266
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>193,960</u>	<u>194,330</u>	<u>174,064</u>	<u>20,266</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>39,220</u>	<u>39,220</u>	<u>(1,613)</u>	<u>(40,833)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(39,220)	(39,220)	-	39,220
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(39,220)</u>	<u>(39,220)</u>	<u>-</u>	<u>39,220</u>
<i>Net change in fund balances</i>	-	-	(1,613)	(1,613)
<i>Fund balances - beginning of year</i>	-	-	(39,220)	(39,220)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,833)</u>	<u>\$ (40,833)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (1,613)
Adjustments to revenues for state operating grants				(26,539)
No adjustments to expenditures				-
Net change in fund balances (GAAP)				<u>\$ (28,152)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-29

Rio Arriba County

Inmate Evercom Phone Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	19,470	19,470	-
<i>Total revenues</i>	-	19,470	19,470	-
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	44,893	64,363	23,139	41,224
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	44,893	64,363	23,139	41,224
<i>Excess (deficiency) of revenues over expenditures</i>	(44,893)	(44,893)	(3,669)	41,224
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	44,893	44,893	-	(44,893)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	44,893	44,893	-	(44,893)
<i>Net change in fund balances</i>	-	-	(3,669)	(3,669)
<i>Fund balances - beginning of year</i>	-	-	44,893	44,893
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 41,224	\$ 41,224
Net change in fund balances (non-GAAP budgetary basis)				\$ (3,669)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balances (GAAP)				\$ (3,669)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-30

Rio Arriba County

Senior Appropriations Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	579,755	579,755	99,171	(480,584)
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>579,755</u>	<u>579,755</u>	<u>99,171</u>	<u>(480,584)</u>
<i>Expenditures</i>				
Current:				
General government	7,173	7,673	3,161	4,512
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	533,411	697,911	259,931	437,980
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>540,584</u>	<u>705,584</u>	<u>263,092</u>	<u>442,492</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>39,171</u>	<u>(125,829)</u>	<u>(163,921)</u>	<u>(38,092)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(39,171)	125,829	-	(125,829)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(39,171)</u>	<u>125,829</u>	<u>-</u>	<u>(125,829)</u>
<i>Net change in fund balances</i>	-	-	(163,921)	(163,921)
<i>Fund balances - beginning of year</i>	-	-	(39,171)	(39,171)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (203,092)</u>	<u>\$ (203,092)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (163,921)
Adjustments to revenues for state capital grants				120,122
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP)</i>				<u>\$ (43,799)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

Rio Arriba County

Landfill Closure Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	14,910	14,909	844	14,065
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	73,765	73,765	-	73,765
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	88,675	88,674	844	87,830
<i>Excess (deficiency) of revenues over expenditures</i>	(88,675)	(88,674)	(844)	87,830
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	88,675	88,674	-	(88,674)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	88,675	88,674	-	(88,674)
<i>Net change in fund balances</i>	-	-	(844)	(844)
<i>Fund balances - beginning of year</i>	-	-	88,675	88,675
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 87,831	\$ 87,831
Net change in fund balances (non-GAAP budgetary basis)				\$ (844)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balances (GAAP)				\$ (844)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

Rio Arriba County

Fire District Bond Funds Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	202,146	102,476	-	102,476
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	202,146	102,476	-	102,476
<i>Excess (deficiency) of revenues over expenditures</i>	(202,146)	(102,476)	-	102,476
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	106,810	106,810	-	(106,810)
Transfers in	95,336	95,336	95,336	-
Transfers (out)	-	(99,670)	(99,670)	-
<i>Total other financing sources (uses)</i>	202,146	102,476	(4,334)	(106,810)
<i>Net change in fund balances</i>	-	-	(4,334)	(4,334)
<i>Fund balances - beginning of year</i>	-	-	106,810	106,810
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 102,476	\$ 102,476
Net change in fund balances (non-GAAP budgetary basis)				\$ (4,334)
Adjustments to revenues for investment income				(2,430)
No adjustments to expenditures				-
Net change in fund balances (GAAP)				\$ (6,764)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

Rio Arriba County

EMS Bond Fund Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	44,357	44,357	-	44,357
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	44,357	44,357	-	44,357
<i>Excess (deficiency) of revenues over expenditures</i>	(44,357)	(44,357)	-	44,357
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	44,357	44,357	-	(44,357)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	44,357	44,357	-	(44,357)
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	44,357	44,357
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 44,357	\$ 44,357
Net change in fund balances (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-34

Rio Arriba County

County Funded Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	538,000	538,000	706,848	168,848
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	282	1,802	1,520
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	8,730	8,730
<i>Total revenues</i>	<u>538,000</u>	<u>538,282</u>	<u>1,053,671</u>	<u>515,389</u>
<i>Expenditures</i>				
Current:				
General government	2,320,240	1,479,102	597,790	881,312
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	14,860,493	14,613,604	6,550,434	8,063,170
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>17,180,733</u>	<u>16,092,706</u>	<u>7,148,224</u>	<u>8,944,482</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(16,642,733)</u>	<u>(15,554,424)</u>	<u>(6,094,553)</u>	<u>9,459,871</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	12,609,733	13,493,775	-	(13,493,775)
Bond proceeds	3,333,000	3,333,000	0	(3,333,000)
Transfers in	700,000	700,000	700,000	-
Transfers (out)	-	(1,972,351)	(847,305)	1,125,046
Gain on sale of asset	-	-	9,176	9,176
<i>Total other financing sources (uses)</i>	<u>16,642,733</u>	<u>15,554,424</u>	<u>(138,129)</u>	<u>(15,692,553)</u>
<i>Net change in fund balances</i>	-	-	(6,232,682)	(6,232,682)
<i>Fund balances - beginning of year</i>	-	-	12,609,735	12,609,735
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,377,053</u>	<u>\$ 6,377,053</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (6,232,682)
Adjustments to revenues for gross receipts taxes				(226,289)
Adjustments to expenditures for repairs and maintenance				224,842
Net change in fund balances (GAAP)				<u>\$ (6,234,129)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-35

Rio Arriba County
Debt Service FundsStatement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	227,558	227,558
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	219,671	219,671
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	210,933	827,257	114,224	713,033
Interest	-	118,514	109,369	9,145
<i>Total expenditures</i>	210,933	945,771	223,593	722,178
<i>Excess (deficiency) of revenues over expenditures</i>	(210,933)	(945,771)	(3,922)	941,849
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	210,933	(2,627,334)	-	2,627,334
Loan proceeds	-	3,573,105	-	(3,573,105)
Transfers in	-	-	(1,112,615)	(1,112,615)
Transfers (out)	-	-	(3,965)	(3,965)
<i>Total other financing sources (uses)</i>	210,933	945,771	(1,116,580)	(2,062,351)
<i>Net change in fund balances</i>	-	-	(1,120,502)	(1,120,502)
<i>Fund balances - beginning of year</i>	-	-	3,585,169	3,585,169
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,464,667	\$ 2,464,667
Net change in fund balances (non-GAAP budgetary basis)				\$ (1,120,502)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balances (GAAP)				\$ (1,120,502)

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Rio Arriba County
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2015

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2015	Name and Location of Safekeeper
Community Bank					
FHLB		12/10/2021	3130AOEN6	\$ 518,055	United Missouri Bank
FHLB		3/13/2015	313376ZQ1	1,002,910	United Missouri Bank
FHLMC		1/12/2018	3137EADN6	993,160	United Missouri Bank
FHLMCPOOL		3/1/2027	3128MMPP2	517,725	United Missouri Bank
FNMAPOOL		6/1/2021	31417Y2D8	384,880	United Missouri Bank
FNMAPOOL		1/1/2022	31418AB31	432,566	United Missouri Bank
GNMAPOOL		3/15/2027	36176XE21	618,410	United Missouri Bank
GNMAPOOL		3/15/2027	36176XEX3	596,289	United Missouri Bank
GNMAIIPool		3/20/2028	36179M4J6	786,879	United Missouri Bank
GNMAIIPool		4/20/2027	36179M4H3	437,951	United Missouri Bank
GNMAIIPool		1/20/2027	36202F3J3	506,206	United Missouri Bank
				<u>6,795,031</u>	
Wells Fargo Bank					
FN 256270	6.000% 06/01/2036	6/1/2036	31371MT31	31,029	Bank of New York Mellon
FHR 4014	PM2.000% 03/15/2032	3/1/2032	3137AMGT8	23,450	Bank of New York Mellon
FN AH8987	4.500% 04/01/2041	4/1/2041	3138AA6Z9	70,584	Bank of New York Mellon
FN AI7609	3.500% 11/01/2041	11/1/2041	3138AMN35	11,783	Bank of New York Mellon
FN AJ9544	3.000% 12/01/2026	12/1/2026	3138AYLZ0	833,815	Bank of New York Mellon
FN AK4559	3.500% 01/01/2042	1/1/2042	3138E2TA3	31,216	Bank of New York Mellon
FN AO2684	3.500% 02/01/2042	2/1/2042	3138E9B58	7,595,763	Bank of New York Mellon
FN AQ8996	3.500% 08/01/2042	8/1/2042	3138LS6W5	149,640	Bank of New York Mellon
FN AR3830	3.000% 12/01/2042	12/1/2042	3138MQ7J6	2,143	Bank of New York Mellon
FN AR9199	3.000% 02/01/2043	2/1/2043	3138W1HG5	19,884	Bank of New York Mellon
FN AT7130	3.000% 03/01/2043	3/1/2043	3138W7GH1	4,262	Bank of New York Mellon
FN AU2042	3.000% 06/01/2043	6/1/2043	3138WU4Q3	96,591	Bank of New York Mellon
FN AU2042	3.500% 07/01/2043	7/1/2043	3138X1HU3	23,162	Bank of New York Mellon
FN 890057	6.000% 09/01/2038	9/1/2038	31410KZW7	15,162	Bank of New York Mellon
FN 932586	4.500% 03/01/2040	3/1/2040	31412RCX3	32,210	Bank of New York Mellon
FN AD7993	4.500% 07/01/2040	7/1/2040	31418V3B6	16,188	Bank of New York Mellon
				<u>8,956,882</u>	
Washington Federal					
FHLMC	Gold PC A94288	8/20/2061	3620E0NW2	63,996	Federal Home Loan Bank Seattle, WA
				<u>63,996</u>	
Bank of the West					
GNMA2	ARM MULTIPLE	2/20/2042	36225FLV9	667,419	Wells Fargo Minneapolis, MN
FNMA	CONV 30 YR SF	5/1/2042	31417BZ91	647,114	Wells Fargo Minneapolis, MN
				<u>1,314,533</u>	
First National					
	U.S. Treasury Note	2/28/2019	912828C24	2,514,062	First National Bank of Denver
	U.S. Treasury Note	7/31/2019	912828TH3	2,439,844	First National Bank of Denver
	U.S. Treasury Note	9/30/2019	912828RJ1	5,033,594	First National Bank of Denver
				<u>9,987,500</u>	

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STATE OF NEW MEXICO
 Rio Arriba County
 Schedule of Collateral Pledged by Depository
 For Public Funds
 June 30, 2015

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2015	Name and Location of Safekeeper
Century Bank					
	ARTESIA N M WTR & WSTWTR SYS	6/1/2018	04310LAJ9	\$ 518,485	Federal Home Loan Bank Dallas, TX
	SANDOVAL CNTY NM	12/15/2018	80004PCV2	370,755	Federal Home Loan Bank Dallas, TX
	WEST LAS VEGAS N MEX SCH DIST	8/15/2019	953769JX5	415,744	Federal Home Loan Bank Dallas, TX
	ALAMOGORDO NM JT WTR & S	6/1/2020	011500FZ3	270,602	Federal Home Loan Bank Dallas, TX
	LOS ALAMOS CNTY NM INC UTIL	7/1/2021	54423EDW2	1,073,370	Federal Home Loan Bank Dallas, TX
	LUNA CNTY NM GROSS RCPTS	7/1/2022	550332BL3	555,954	Federal Home Loan Bank Dallas, TX
	LOS LUNAS N M SCH DIST NO 001	7/15/2022	545562PJ3	544,861	Federal Home Loan Bank Dallas, TX
	CARLSBAD N M MUN SCH DIST	8/1/2024	142735DQ9	822,630	Federal Home Loan Bank Dallas, TX
	BLOOMFIELD N M MUN SCH DIST	9/1/2024	094077KT0	268,165	Federal Home Loan Bank Dallas, TX
	ALAMOGORDO NM JT WTR & SWR	6/1/2025	011500GE9	476,135	Federal Home Loan Bank Dallas, TX
	ALBUQUERQUE BERNALILLO CNT	7/1/2025	013493DB4	466,072	Federal Home Loan Bank Dallas, TX
	SANTA FE N M	8/1/2026	802071GY0	416,417	Federal Home Loan Bank Dallas, TX
	CLOVIS N M GROSS RCPTS TAX RE	6/1/2028	189387CR2	417,915	Federal Home Loan Bank Dallas, TX
				<u>6,617,105</u>	

Total All Bank \$ 33,735,047

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STATE OF NEW MEXICO
 Rio Arriba County
 Schedule of Deposit and Investment Accounts
 June 30, 2015

<u>Bank Account Type/Name</u>	<u>Community Bank</u>	<u>Bank of the West</u>	<u>First National Santa Fe</u>
Tax Account - Checking	\$ 3,976,147	\$ -	\$ -
Inmate Account - Checking	36,425	-	-
Savings Account	-	-	3,005,628
Certificate of Deposit	-	1,253,889	5,025,859
Debt service (restricted funds)**	-	-	-
U.S. Treasury Notes	-	-	-
Total on deposit and investment	4,012,572	1,253,889	8,031,487
Reconciling Items	(2,455,398)	-	-
Reconciled Balance June 30, 2015	<u>\$ 1,557,174</u>	<u>\$ 1,253,889</u>	<u>\$ 8,031,487</u>

**Accounts are U.S. Treasury MM Mutual Funds
 Note all bank accounts are interest bearing

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Century Bank	Well Fargo Bank	Washington Federal	State of New Mexico LGIP	NMFA Restricted cash	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,976,147
-	-	-	-	-	36,425
-	8,199,192	-	-	-	11,204,820
6,673,209	-	301,494	1,883	-	13,256,334
-	-	-	-	666,894	666,894
-	-	-	-	1,797,773	1,797,773
6,673,209	8,199,192	301,494	1,883	2,464,667	30,938,393
-	-	-	-	-	(2,455,398)
<u>\$ 6,673,209</u>	<u>\$ 8,199,192</u>	<u>\$ 301,494</u>	<u>\$ 1,883</u>	<u>\$ 2,464,667</u>	<u>28,482,995</u>
Less: investments per Exhibit A-1					(13,250,062)
Less: restricted cash and cash equivalents per Exhibit A-1					(666,894)
Less: restricted investments per Exhibit A-1					(1,797,773)
Less: agency fund cash per Exhibit D-1					(7,830,128)
Unreconciled cash difference					<u>6,730,034</u>
Total governmental activities unrestricted cash and cash equivalents per Exhibit A-1					<u>\$ 11,668,172</u>

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STATE OF NEW MEXICO
 Rio Arriba County
 Tax Roll Reconciliation-Changes in Property Taxes Receivable
 For the Year Ended June 30, 2015

	<u>Gross Receivables</u>
Property taxes receivable, beginning of year	\$ 6,514,949
Changes to tax roll addition and deletions	
Tax charges to treasurer for current fiscal year	<u>17,620,661</u>
Total receivables prior to collections	<u>24,135,610</u>
Collections for fiscal year ended June 30, 2015	(18,012,246)
Adjustments to tax levies	(4,739)
Considered paid and received per state law (Tax year 2003)	<u>(248,846)</u>
Total collections and amounts considered paid and received	(18,265,831)
Property taxes receivable, end of year	<u><u>\$ 5,869,779</u></u>
Property taxes receivable by year	
	Tax Year
	2005 \$ 251,183
	2006 199,594
	2007 214,573
	2008 216,250
	2009 -
	2010 305,026
	2011 468,054
	2012 790,261
	2013 1,174,374
	2014 <u>2,250,464</u>
Receivable tax year end (total)	<u><u>\$ 5,869,779</u></u>

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STATE OF NEW MEXICO
 Rio Arriba County
 Schedule of Changes in Fiduciary Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents	\$ 669,706	\$ 7,160,422	\$ -	\$ 7,830,128
Property taxes receivable	4,642,942	11,613,257	12,029,416	4,226,783
Other tax receivable	430,856	169,352	430,856	169,352
<i>Total assets</i>	<u>\$ 5,743,504</u>	<u>\$ 18,943,031</u>	<u>\$ 12,460,272</u>	<u>\$ 12,226,263</u>
LIABILITIES				
Due to other taxing units, inmates and other beneficiaries	<u>\$ 5,743,504</u>	<u>\$ 18,943,031</u>	<u>\$ 12,460,272</u>	<u>\$ 12,226,263</u>
<i>Total liabilities</i>	<u>\$ 5,743,504</u>	<u>\$ 18,943,031</u>	<u>\$ 12,460,272</u>	<u>\$ 12,226,263</u>

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STATE OF NEW MEXICO

Rio Arriba County

Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)

June 30, 2015

RFP#/ RFB#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the Procurement Documentation, of <u>ALL</u> Vendors that Responded
Bid 2015-003	BID			N/A	Big Rock Builders
Bid 2015-003	BID			N/A	Russel Sand & Gravel
Bid 2015-003	BID	Allied 360 Construction	\$ 148,567.50	N/A	Allied 360 Construction
Bid 2015-003	BID			N/A	Duran Enterprise de Santa Fe
Bid 2015-004	BID	Big Rock Builders	\$ 918,988.50	N/A	Big Rock Builders
Bid 2015-004	BID			N/A	Blue Sky Builders
Bid 2015-004	BID			N/A	MarTech/Cross Connection
Bid 2015-004	BID			N/A	RVC Inc.
RFP 2015-001	RFP			N/A	Cross Connection Inc.
RFP 2015-001	RFP			N/A	FCI Construction of NM, LLC
RFP 2015-001	RFP			N/A	Leroy's Excavating
RFP 2015-001	RFP			N/A	MarTech Services LLC
RFP 2015-001	RFP	R & M Construction	\$ 2,704,035.00	N/A	R & M Construction
RFP 2015-001	RFP			N/A	Russel Sand & Gravel
RFP 2015-001	RFP			N/A	RVC Inc.
RFP 2015-006	RFP			N/A	Los Terrazas Utilities, LLC
RFP 2015-006	RFP	Russel Sand & Gravel	\$ 120,000.00	N/A	Russel Sand & Gravel
RFP 2015-006	RFP			N/A	Trino's Affordable Construction

See independent auditors' report.

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
Y	N	Construction Brazon VFD Ponderosa Substation
Y	N	Construction Brazon VFD Ponderosa Substation
Y	N	Construction Brazon VFD Ponderosa Substation
Y	N	Construction Brazon VFD Ponderosa Substation
Y	N	Construction Community Center in Canjilon
Y	N	Construction Community Center in Canjilon
Y	N	Construction Community Center in Canjilon
Y	N	Construction Community Center in Canjilon
Y	N	Construction Archive Center
Y	N	Construction Archive Center
Y	N	Construction Archive Center
Y	N	Construction Archive Center
Y	N	Construction Archive Center
Y	N	Construction Archive Center
Y	N	Construction Archive Center
Y	N	Demolition/deconstruction Old Canjilon School
Y	N	Demolition/deconstruction Old Canjilon School
Y	N	Demolition/deconstruction Old Canjilon School

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COMPLIANCE SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

**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 AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
The County Manager and
County Commissioners
Rio Arriba County
Tierra Amarilla, New Mexico 87575

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the general fund of Rio Arriba County New Mexico (the "County") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual funds and related budgetary comparisons of the County presented as supplementary information, and have issued our report thereon dated November 1, 2015.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS 2015-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 FS 2015-002 and FS 2015-003.

County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County'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 results of that testing, and not to provide an opinion on the effectiveness of the County'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 1, 2015

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FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP
Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
The County Manager and
County Commissioners
Rio Arriba County
Tierra Amarilla, New Mexico 87575

Report on Compliance for the Major Federal Program

We have audited Rio Arriba County's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. The County's major federal programs are identified in the summary of auditors' 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's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County'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's compliance.

Opinion on the Major Federal Program

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

Report on Internal Control Over Compliance

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 1, 2015

STATE OF NEW MEXICO
 Rio Arriba County
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2015

Schedule VIII
 Page 1 of 2

Federal Grantor/ Passthrough Grantor/ Program Title	Pass Thru Number	Federal CFE Number	Federal Expenditures
U.S. Department of Agriculture Forest Service			
<i>Passthrough-NM State Forestry</i>			
Cooperative Forestry Service - Abiquiu Fire Department	09-DG-11031600-084	10.664	\$ 4,838
Cooperative Forestry Service - Ojo Sarco Fire Department	09-DG-11031600-084	10.664	10,000
Total U.S. Department of Agriculture Forest Service			<u>14,838</u>
U.S. Department of Agriculture			
<i>Passthrough - NM Department of Finance and Administration</i>			
Secure Payments for States and Counties Section I	PL-110-343	10.665	814,290 M
Total U.S. Department of Agriculture			<u>814,290</u>
U.S. Department of Justice			
State Criminal Alien Assistance Program		16.606	7,040
Edward Byrne Memorial Justice Assistance Grant		16.738	12,567
Total U.S. Department of Justice			<u>19,607</u>
U.S. Department of Transportation			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated - Impaired Driving Demonstration Program		20.608	45,765
Total U.S. Department of Transportation			<u>45,765</u>
U.S. Department of Health & Human Services			
<i>Passthrough - NM AAA</i>			
Aging Cluster - Title III Part B	2010-11 60024	93.044	65,833 (1)
Aging Cluster - Title III Part C I	2010-11 60024	93.045	117,339 (1)
Aging Cluster - Title III Part C II	2010-11 60024	93.045	66,914 (1)
Federal - Commodities - Nutrition Service Incentive (NSIP)	2010-11 60024	93.053	69,326 (1)
Drug-Free Communities Support Program Grants		93.276	113,996
Total U.S. Department of Health & Human Services			<u>433,408</u>
U.S. Department of Homeland Security			
<i>Passthrough - New Mexico Department of Homeland Security and Emergency Management</i>			
Homeland Security Grant Program	EMW-2011-SS-00094-S01	97.067	5,212
Total U.S. Department of Homeland Security			<u>5,212</u>
U. S. Department of the Interior			
Law Enforcement, Abiquiu Lake		12.1xx	9,683
Total U.S. Department of the Interior			<u>9,683</u>
Total Federal Financial Assistance			<u>\$ 1,342,803</u>

M Denotes Major Federal Financial Assistance Program
 () Denotes cluster

See independent auditors' report
 See accompanying notes to schedule of expenditures of federal awards

STATE OF NEW MEXICO
Rio Arriba County
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Notes to Schedule of Expenditures of Federal Awards

1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Rio Arriba County, New Mexico (County) and is presented on the cash basis of accounting, which is a different basis used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2 Subrecipients

The County did not provide any federal awards to subrecipients during the year.

3 Federally Funded Insurance and Federally Funded Loans

The County has no federally funded insurance, and no federally funded loans or loan guarantees

4 Non-Cash Federal Assistance

The County did not receive any non-cash federal assistance during the year.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 1,342,803
Total expenditures funded by other sources	<u>34,626,730</u>
Total expenditures per Exhibit B-2	<u><u>\$ 35,969,533</u></u>

STATE OF NEW MEXICO
 Rio Arriba County
 Schedule of Findings and Questioned Costs
 For the year ended June 30, 2015

Section I – Summary of Audit Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Qualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | None noted |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 2. Type of auditors’ report issued on compliance for major programs | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | None noted |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
10.665 93.044, 93.045, 93.053	Secure Payments for States and Counties Section I Federal Aging Grant Cluster

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

Section II – Rio Arriba County Financial Statement Findings and Questioned Costs

FS 2015-001 Deficiencies in Internal Control Structure Design, Operation and Oversight (Material Weakness)

Condition: During our process of understanding the entity and its environment, we noted instances where elements of the framework of COSO were nonexistent or deficient. We also noted the following deficiencies:

- During our review of the overall entity wide controls, we noted that some employees have the ability to perform all duties of the treasurer’s office with no other oversight by any other individual.
- The County does not have a proper structure in place for the treasurer’s office to ensure that duties, control, and monitoring functions are delegated to individuals at the appropriate level of the entity and that proper oversight is in place over these functions
- During procedures over cash, it was noted that the County did not have completed bank reconciliations or Treasurer’s cash reconciliations for fiscal year 2015. The County did not adequately reconcile cash across funds, the Treasurer’s general ledger balance to the bank, or the Treasurer’s general ledger balance to that of the Finance Department for fiscal year 2015.
- During procedures over property taxes, we noted that the County is not properly utilizing the accounting software to properly record, track, monitor, and report property taxes or the 10 year property tax schedule.
- The County could not obtain the documentation and data required to prepare a ten year tax roll schedule, properly track current year property tax distributions, and did not properly monitor property tax collections throughout the year.
- Property tax collections and distributions to agencies were not adequately reconciled between the bank and general ledger throughout the fiscal year.
- Agency cash and property tax distributions were not properly tracked and reconciled to the general ledger starting in July of 2014.
- During our audit, we noted that the County improperly left accumulated depreciation for capital assets disposed of during the 2014 fiscal year in the general ledger for 2015.
- It was noted during our fieldwork that employee timesheets for 2 out of 10 transactions were not signed by the department head as evidence of review.
- Employee files do not contain proper documentation of employee pay increases and up to date pay rates.
- The IT administrator has access to assign rights to the County’s accounting software and is responsible for printing payroll checks through the payroll module.

Criteria: The Committee of Sponsoring Organizations (COSO) internal control integrated framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication, and monitoring.

Also, section 4-43-2 NMSA 1978 states that “The County Treasurer shall keep the books, papers, and money pertaining to his/her office ready for inspection.”

The County must have proper internal control to safeguard assets and provide accountability for the capital assets being depreciated and capital assets not being depreciated in accordance with GASB 34 and NMSA 1978 Section 12-6-10.

A review of employee timesheets, a review of payroll reports, and proper authorization and approval for wages, as indicated in NMSA 1978 Section 6-6-3, are required to be maintained in order to have proper and sufficient internal controls to reduce the risk of fraudulent activities.

Section II – Rio Arriba County Financial Statement Findings and Questioned Costs (continued)

FS 2015-001 Deficiencies in Internal Control Structure Design, Operation and Oversight (Material Weakness) (continued)

Effect: Without all of the five elements of the COSO framework present, the County is exposing itself to the risk of misappropriation of assets and does not have set processes in place to maximize the resources of the County. Also, the effect of not having proper reconciliations and monitoring does not allow the County to have useful information to make proper management decisions or meet operating and financial reporting objectives. Furthermore, the lack of an adequate reconciliation process results in an inability to determine the proper cash balances for financial reporting purposes at fiscal year end.

The auditors could not satisfy themselves as to the existence, completeness, accuracy, and classification of cash amounts reported at June 30, 2015. This resulted in a qualification of the County's audit opinion. The cash balances reported in the County's financial statements could be materially misstated.

Accumulated depreciation is a key factor in determining the correct net book value of capital assets. The balance in accumulated depreciation is not accurately tracked the financial statements of the County could be materially misstated.

The County could potentially pay its employees for incorrect hours or at incorrect rates. Additionally, information used to prepare required reporting documents, such as PERA and RHC, could be inaccurate.

Cause: The County has not performed a formalized and documented risk assessment process for those key controls in place to prevent and detect errors or fraud. The County did not properly monitor duties and responsibilities to ensure County policies, rules, laws, and statutes were being followed. Lastly, County staff did not have proper knowledge of financial reporting and of the County's accounting software to adequately complete the functions required to be performed.

The County's software used for tracking capital assets takes the cost of disposed assets off the books in the correct fiscal year, but does not remove the relating accumulated depreciation until the subsequent fiscal year. Additionally, the County does not have review processes in place to validate the fixed asset data and ensure proper financial reporting of the net asset values.

The County has seen a lot of turnover in the payroll department over the last year. Additionally, the County implemented the use of a new biometric timeclock system during fiscal year 2015. After the system was fully implemented, the County department heads stopped signing timesheets. Due to turnover in the payroll department the fact that these procedures were not being completed was not identified. As pay rates have changed over time, personnel action forms have not been completed and added to the employee files as documentation of the changes

Auditors' Recommendations: The County should ensure that a comprehensive internal control structure over financial information is designed, documented, and implemented. The Treasurer should follow and ensure that all staff follows the County's documented internal control procedures. Additionally, control procedures in the Treasurer's Office should be designed in a matter that ensures the accurate and complete information can be provided in a timely fashion to the Finance Department, the County Commission, and the auditors. The County Commission is charged with governance and should provide effective oversight of the internal control and financial reporting process. Additionally, the Treasurer's Office staff should have proper knowledge or receive training to ensure that the essential job functions can be efficiently completed and to facilitate proper financial reporting. Lastly, the Treasurer's Office should communicate with the accounting software provider in order to ensure that the required information and output can be accessed.

We recommend that the County contact the software provider to determine a solution to the system inaccuracies with respect to accumulated depreciation. Additionally, a review process should be put in place to ensure the validity of the data coming out of the capital asset software.

We recommend that the County provide training to the payroll department to educate new employees about existing internal control policies and documentation procedures surrounding the payroll process. Additionally, the IT administrator should either have the ability to print checks or to assign rights in the accounts software, but not both.

Section II – Rio Arriba County Financial Statement Findings and Questioned Costs (continued)

FS 2015-001 Deficiencies in Internal Control Structure Design, Operation and Oversight (Material Weakness) (continued)

Management's Response: The Treasurer and staff will ensure that the Treasurer's Office has sufficient internal controls in order to provide structure so that no one employee has the ability to perform all of the duties without the proper checks and balances. In order to do so, Rio Arriba County has hired an outside financial consultant to create a monthly reconciliation process as well as review/modify proper procedures in order to ensure that internal controls and checks and balances are in place. In addition, the Treasurer and staff acknowledge the problems with the reconciliation process and will continue to work together with the Finance Department in order to implement and maintain proper month to month reconciliations as required. Specifically the Treasurer and staff will ensure that the general ledger reconciles with the bank, that the general ledger reconciles across funds with the Finance Department, and reconciles agency cash and the related distributions. The individuals taking on this responsibility will be Gilbert Martinez (Treasurer's Accountant), Sarah Garcia (Chief Deputy Treasurer), Jose Candelaria (County Treasurer), and financial consultant Tim Machado. We would like to request a timeline of 3 months, or February 1, 2016. At this time we will provide evidence of month-to-month reconciliations and have implemented changes to internal controls.

Currently the Human Resource Department is in the process of creating Personnel Action Notices (PAN) for all Rio Arriba County Employees in receipt of a salary increase for fiscal year 2015-2016. All PAN's will be placed in each individual employee file which will reflect increases and years of service. This information will also be scanned into Laser-Fiche which will also be accessible in electronic format. Any additional changes to employee payroll will be documented accordingly and filed in a timely manner by the human Resources Specialist. This will be a consistent practice of the department on a daily, weekly, monthly, and annual basis as necessary. . The Human Resources Department is also in concurrence with the recommendation to educate and train new employees about existing internal control policies and documentation procedures as a way to maintain consistency. The payroll changes described were scheduled to be completed by close of business November 20, 2015. The Human Resource Specialist is responsible for the implementation and continued monitoring of the changes described.

Regarding the bullet point related to accumulated depreciation, the County concurs with the recommendation stated and an action plan has been implemented as of the date of the audit report. This finding has already been corrected for FY 15-16. Monica Cordova in the Fixed Assets has reviewed with the Auditor's and has now implemented the missing step.

Regarding the bullet point related to unsigned employee timesheets, the County concurs with the recommendation stated and an action plan has been implemented. This finding has already been corrected for FY 15-16. The Payroll Department has been advised of the internal controls and is following the procedures required. All timesheets are now being signed by the department head or their designee. The Finance Director is responsible for overseeing the continued implementation of this process.

Regarding the bullet point related to the IT administrators access to the County's accounting software, the County concurs with the recommendation stated and an action plan has been implemented. This finding has already been corrected for FY 15-16. The Payroll Department has been trained and is now responsible for printing payroll checks through the payroll module, and furthermore the check processing access and action has been removed from the IT Administrator. The Finance Director is responsible for overseeing the continued implementation of this process.

Section II – Rio Arriba County Financial Statement Findings and Questioned Costs (continued)

FS 2015-002 Travel and Per Diem (Other non-compliance)

Condition: During testwork we noted the following conditions:

- In 1 out of 11 transactions tested totaling \$750.35, actual expenses for meals and lodging were not accompanied by receipts or an affidavit signed by the County Commission.
- In 1 out of 11 transactions tested totaling \$750.35, written approval from the County Commission was not obtained to authorize reimbursement of actual expenses in lieu of per diem rates where overnight travel was required.
- The County is paying the state special areas rate for overnight travel per diem (\$135) for trips to Albuquerque and Las Cruces. This was noted in 5 of 11 transactions tested totaling \$1,398.95.

Criteria: The County is required to comply with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-4, for all per diem and reimbursement rates.

Effect: The County has overpaid monies for overnight per diem using public funds. Actual expense reimbursements were not adequately documented

Cause: The requirement to obtain receipts was overlooked and proper documentation of the transactions and signatures were not solicited. Additionally, the County Commission authorized a rate increase for overnight travel to Albuquerque and Las Cruces.

Auditors' Recommendation: We recommend that County management ensure that those responsible for processing travel and per diem transactions have proper training and knowledge over the Per Diem and Mileage Act. During management's review of the travel reimbursement requests, any incomplete documentation be obtained before payment is made. Lastly, County policies related to per diem reimbursements should be adjusted to ensure compliance with the Per Diem and Mileage Act.

Management's response: The County concurs with the recommendation stated and an action plan has been implemented. This finding has already been corrected for FY 15-16. A resolution will be passed at the December 2015 Commission meeting to implement policy to be in compliance with the Per Diem and Mileage Act. Furthermore, the Accounts Payable Department has already implemented this practice. Additionally, a future Per Diem and Mileage Act training is being scheduled. The Finance Director is responsible for overseeing the continued implementation of this process.

Section II – Rio Arriba County Financial Statement Findings and Questioned Costs (continued)

FS 2015-003 Ten Year Tax Schedule not presented (Other non-compliance)

Condition: The property tax outstanding and still receivable, by agency, for the past 10 years was not presented as a supporting schedule of the financial statements.

Criteria: State Auditor Rule 2.2.2.12D requires property tax outstanding and still receivable for the past 10 years to be listed.

Effect: The property tax outstanding and still receivable, by agency, for the past 10 years was not presented as a supporting schedule of the financial statements. It could not be determined if property tax distributions to the County's agencies were distributed throughout the fiscal year.

Cause: The County did not properly monitor the Treasurer's duties and responsibilities to ensure County policies, rules, laws, and statutes were being followed. The Treasurer's Office staff does not have a good working knowledge of the County's accounting software and training to obtain the required information.

Auditors' Recommendation: The Treasurer and staff should have a working knowledge or receive training to ensure that the essential job functions can be efficiently completed and to facilitate proper financial reporting. The County should implement a proper training program for all employees with duties related to the property tax schedules, and should implement proper policies and internal controls to ensure proper use of the accounting system, accurate and timely reconciliations, proper monitoring to meet financial and reporting objectives, and reconcile to the property tax roll including receivables and the financial statements.

Management's response: The Treasurer's Office recognizes the problem in the 10 Year Property Tax Roll Schedule and system. Our office has been working along with some assistance from the County Assessor's Office in order to update and properly maintain taxes levied and collections throughout the year. The individuals taking on this responsibility will be Gilbert Martinez (Treasurer's Accountant), Sarah Garcia (Chief Deputy Treasurer), and Jose Candelaria (County Treasurer). We would like to request a timeline of 3 months, or February 1, 2016. At this time we would like to present an up-to-date 10 year property Tax Roll.

STATE OF NEW MEXICO
Rio Arriba County
Schedule of Findings and Questioned Costs
For the year ended June 30, 2015

Section II – Rio Arriba County Financial Statement Findings and Questioned Costs-Continued

Component Unit

None

Section III – Federal Award Findings

None

Section IV – Prior Year Audit Findings

County

FS 2014-001 Rio Arriba County Sherriff's Office Improper Contract Entered Into – Resolved
FS 2014-002 Inadequate Monitoring of Collateral - Resolved

Rio Arriba Housing Authority

None

STATE OF NEW MEXICO
Rio Arriba County
Other Disclosures
For the Year Ended June 30, 2015

Other Disclosures

Exit Conference

The contents of this report were discussed on November 2, 2015 at Rio Arriba County, Espanola offices. The following individuals were in attendance.

Representing Rio Arriba County

Barney Trujillo	Commissioner
Thomas Campos III	County Manager
David Trujillo	Assistant County Manager
Christine Montañó	Director of Finance
Guadalupe Mercure	Assistant Director of Finance
Jose A. Candelaria	Treasurer
Gilbert Martinez	Treasurer's Assistant
Sarah Garcia	Chief Deputy Treasurer
Lorrie Leyba	Housing Authority Director

Representing Accounting & Consulting Group, LLP

Ray Roberts, CPA, Partner

Auditor Prepared Financials

Accounting and Consulting Group, LLP prepared the GAAP-basis financial statements and footnotes of the County from the original books and records provide to them by the management of the County. The responsibility for the financial statements remains with the County.