



State of New Mexico  
Roosevelt County  
Annual Financial Report  
June 30, 2015



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## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO**  
Roosevelt County  
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June 30, 2015

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STATE OF NEW MEXICO

Roosevelt County

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**STATE OF NEW MEXICO**

Roosevelt County

Official Roster

June 30, 2015

<u><b>Name</b></u>	<u><b>Elected Officials</b></u>	<u><b>Title</b></u>
Kendell R. Buzard		County Commissioner - Chairman
Jake Lopez		County Commissioner – Vice Chairman
Rick Leal		County Commissioner
Shane Lee		County Commissioner
Gene Creighton		County Commissioner
DeAun Searl		County Clerk
Layle Sanchez		County Treasurer
George Beggs		County Assessor
Malin Parker		County Sheriff
Barbara George		County Probate Judge

**Administrative Officials**

Amber Hamilton	County Manager
Becky White	Human Resources
Mickie Algire	County Deputy Treasurer

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**FINANCIAL SECTION**



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Timothy H. Keller  
New Mexico State Auditor  
Roosevelt County Commissioners  
Portales, New Mexico

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the budgetary comparisons for the General Fund and major special revenue funds of Roosevelt County, New Mexico (the County), as of and for the year ended June 30, 2015, and the related notes to the financial statements. We were engaged to audit the financial statements of the County's agency funds. These financial statements 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 budgetary comparisons for the major debt service funds and all nonmajor governmental 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. Because of the matter described in the 'Basis for Disclaimer of Opinion' paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the County's Agency Funds.

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 Disclaimer on the County Agency Fund**

Material weaknesses in internal controls over the financial close and the property tax reconciliation process, in combination with, not obtaining sufficient audit evidence to support Cash and Property Tax Receivable balances presented in the County's Agency funds at June 30, 2015, has precluded us from obtaining sufficient and appropriate audit evidence to provide a basis for an audit opinion on the County's Agency funds. Accordingly we do not express an opinion on the account balances included in the County's Agency Fund Statement of Fiduciary Assets and Liabilities.

### **Basis for Qualified Opinion on the Revenues and Expenses of the Governmental Activities and Revenues and Expenditures of the Governmental Fund Financial Statements**

Material weaknesses in internal controls over the financial close and the property tax reconciliation processes, in combination with, not obtaining sufficient audit evidence of balances presented as of June 30, 2014, has not allowed us to gain reasonable assurance as to whether the changes in financial position of the governmental activities and each governmental fund of the County are presented fairly, in all material respects. The amount by which this departure would affect the beginning assets, beginning fund balances, beginning net position, revenues, and expenditures/expenses of the governmental activities has not been determined.

### **Qualified Opinions**

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

### **Other Matters**

#### *Required Supplementary Information*

Management has omitted the *Management Discussion and Analysis* that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 Notes to Required Supplementary Information on pages 58 through 62 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 we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the County's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The introductory section and Supporting Schedules I through VII required by 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 and IV 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 IV required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Because of the significance of the matter described above in the basis for disclaimer opinion paragraph above, it is inappropriate to and we do not express an opinion on Schedules V and VI referred to above.

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 it.

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

In accordance with Government Auditing Standards, we have also issued our report dated October 27, 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  
October 27, 2015

**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**

Roosevelt County

Statement of Net Position

June 30, 2015

	<u>Governmental Activities</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 5,701,615
Investments	711
Receivables:	
Property taxes	218,078
Other taxes	585,939
Other receivables	155,326
	<hr/>
Total current assets	6,661,669
	<hr/>
Noncurrent assets	
Restricted cash and cash equivalents	589,030
Capital assets	48,055,360
Less: accumulated depreciation	(38,360,458)
	<hr/>
Total noncurrent assets	10,283,932
	<hr/>
Total assets	16,945,601
	<hr/>
<b>Deferred outflows</b>	
Employer contributions subsequent to the measurement date	384,223
	<hr/>
Total assets and deferred outflows	\$ 17,329,824
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements

	<u>Governmental Activities</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 142,345
Accrued payroll	101,740
Accrued interest	48,514
Current portion of accrued compensated absences	123,900
Current portion of loans and bonds payable	<u>460,395</u>
Total current liabilities	<u>876,894</u>
Noncurrent liabilities	
Accrued compensated absences	12,969
Bond premiums, net of amortization of \$35,302	14,301
Loans payable	7,586,946
Bonds payable	2,030,000
Net pension liability	<u>3,099,985</u>
Total noncurrent liabilities	<u>12,744,201</u>
Total liabilities	<u>13,621,095</u>
<b>Deferred inflows</b>	
Change in experience	71,717
Net difference between projected and actual investment earnings	<u>1,196,046</u>
Total deferred inflows	<u>1,267,763</u>
<b>Net position</b>	
Net investment in capital assets	3,294,017
Restricted for:	
Debt service	104,936
Other purposes - special revenue	1,688,624
Unrestricted	<u>(2,646,611)</u>
Total net position	<u>2,440,966</u>
Total liabilities, deferred inflows and net position	<u>\$ 17,329,824</u>

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

Exhibit A-2

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Primary government</b>					
General government	\$ 4,790,422	\$ 548,339	\$ 506,035	\$ 124,939	\$ (3,611,109)
Public safety	3,520,283	16,384	263,666	-	(3,240,233)
Public works	1,705,245	-	-	147,342	(1,557,903)
Culture and recreation	85,839	-	-	-	(85,839)
Health and welfare	485,636	-	579	-	(485,057)
Interest on long-term debt	377,776	-	-	-	(377,776)
<i>Total governmental activities</i>	<u>\$ 10,965,201</u>	<u>\$ 564,723</u>	<u>\$ 770,280</u>	<u>\$ 272,281</u>	(9,357,917)

**General revenues:**

Taxes:

Property	3,595,911
Gross receipts	3,147,342
Gasoline and motor vehicle	816,770
Other	337,017
Payment in lieu of taxes	25,252
Interest income	32,274
Miscellaneous income	153,736
Gain on sale on capital assets	78,373

Total general revenues 8,186,675

Change in net position (1,171,242)

Net position - beginning 4,052,850

Net position - restatement (Note 16) (440,642)

Net position - as restated 3,612,208

Net position - ending \$ 2,440,966

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**

Roosevelt County  
Balance Sheet  
Governmental Funds  
June 30, 2015

	<u>General Fund</u>	<u>Road Fund</u>	<u>GRT Roosevelt General Hospital Fund</u>
<i>Assets</i>			
Cash and cash equivalents	\$ 1,091,089	\$ -	\$ -
Investments	687	-	-
Current receivables:			
Property taxes	218,078	-	-
Other taxes	394,159	26,613	94,228
Other	6,125	147,342	-
<i>Total assets</i>	<u>\$ 1,710,138</u>	<u>\$ 173,955</u>	<u>\$ 94,228</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 22,437	\$ 1,580	\$ 92,618
Accrued payroll	80,386	21,354	-
<i>Total liabilities</i>	<u>102,823</u>	<u>22,934</u>	<u>92,618</u>
<i>Fund balances</i>			
<i>Spendable</i>			
<i>Restricted for:</i>			
General county operations	-	-	-
Maintenance of roads	-	151,021	-
EMS and Fire departments	-	-	-
Public safety	-	-	-
Healthcare	-	-	1,610
Debt service expenditures	-	-	-
<i>Committed to:</i>			
Minimum fund balance	1,823,076	-	-
Unassigned	(215,761)	-	-
<i>Total fund balances</i>	<u>1,607,315</u>	<u>151,021</u>	<u>1,610</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1,710,138</u>	<u>\$ 173,955</u>	<u>\$ 94,228</u>

The accompanying notes are an integral part of these financial statements

Courthouse Renovation Debt Service Fund	Magistrate Court Debt Service Fund	Other Governmental Funds	Total
\$ 153,099	\$ 3,690,757	\$ 1,355,700	\$ 6,290,645
-	-	24	711
-	-	-	218,078
-	-	70,939	585,939
-	-	1,859	155,326
<u>\$ 153,099</u>	<u>\$ 3,690,757</u>	<u>\$ 1,428,522</u>	<u>\$ 7,250,699</u>
\$ 20,526	\$ -	\$ 5,184	\$ 142,345
-	-	-	101,740
<u>20,526</u>	<u>-</u>	<u>5,184</u>	<u>244,085</u>
-	-	329,254	329,254
-	-	-	151,021
-	-	687,765	687,765
-	-	143,801	143,801
-	-	128,482	130,092
132,573	3,690,757	134,036	3,957,366
-	-	-	1,823,076
-	-	-	(215,761)
<u>132,573</u>	<u>3,690,757</u>	<u>1,423,338</u>	<u>7,006,614</u>
<u>\$ 153,099</u>	<u>\$ 3,690,757</u>	<u>\$ 1,428,522</u>	<u>\$ 7,250,699</u>

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**STATE OF NEW MEXICO**  
Roosevelt County  
Governmental Funds  
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	\$	7,006,614
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		9,694,902
Deferred outflows of resources related to employer contributions subsequent to the measurement date		384,223
Deferred inflows of resources related to changes in assumptions		(71,717)
Deferred inflows of resources related to net difference between actual and projected earnings on investments		(1,196,046)
Certain liabilities, including bonds payable, net pension liability, and accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable		(48,514)
Accrued compensated absences		(136,869)
Bond premiums		(14,301)
Bonds and loans payable		(10,077,341)
Net pension liability		(3,099,985)
		<hr style="border-top: 1px solid black;"/>
Net position - governmental activities	\$	<u><u>2,440,966</u></u>

The accompanying notes are an integral part of these financial statements

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

	General Fund	Road Fund	GRT Roosevelt General Hospital Fund
<i>Revenues:</i>			
Taxes:			
Property	\$ 3,671,785	\$ -	\$ -
Gross receipts	2,485,012	-	94,228
Gasoline and motor vehicle taxes	271,359	545,411	-
Other	337,017	-	-
Intergovernmental:			
State operating grants	506,035	-	-
State capital grants	124,939	147,342	-
Payment in lieu of taxes	25,252	-	-
Licenses and fees	2,204	-	-
Charges for services	304,026	-	-
Investment income (loss)	20,112	-	-
Miscellaneous	139,775	(2,609)	-
<i>Total revenue</i>	<u>7,887,516</u>	<u>690,144</u>	<u>94,228</u>
<i>Expenditures:</i>			
Current:			
General government	3,836,263	-	-
Public safety	3,255,154	-	-
Public works	-	1,732,648	-
Culture and recreation	64,423	-	-
Health and welfare	-	-	92,618
Capital outlay	136,464	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Debt issuance costs	-	-	-
<i>Total expenditures</i>	<u>7,292,304</u>	<u>1,732,648</u>	<u>92,618</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>595,212</u>	<u>(1,042,504)</u>	<u>1,610</u>
<i>Other financing sources (uses)</i>			
Loan proceeds	-	-	-
Proceeds from sale of equipment	439	222,927	-
Transfers in	583,157	831,913	-
Transfers (out)	(1,694,536)	-	-
<i>Total other financing sources (uses)</i>	<u>(1,110,940)</u>	<u>1,054,840</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(515,728)</u>	<u>12,336</u>	<u>1,610</u>
<i>Fund balances - beginning of year</i>	2,123,043	138,685	-
<i>Fund balance - restatement (Note 16)</i>	-	-	-
<i>Fund balance - as restated</i>	<u>2,123,043</u>	<u>138,685</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 1,607,315</u>	<u>\$ 151,021</u>	<u>\$ 1,610</u>

The accompanying notes are an integral part of these financial statements

Courthouse Renovation Debt Service Fund	Magistrate Court Debt Service Fund	Other Governmental Funds	Total
\$ -	\$ -	\$ -	\$ 3,671,785
-	-	568,102	3,147,342
-	-	-	816,770
-	-	-	337,017
-	-	264,245	770,280
-	-	-	272,281
-	-	-	25,252
-	-	-	2,204
-	-	258,493	562,519
594	7,302	4,266	32,274
-	-	16,570	153,736
<u>594</u>	<u>7,302</u>	<u>1,111,676</u>	<u>9,791,460</u>
-	-	145,922	3,982,185
-	-	357,700	3,612,854
-	-	-	1,732,648
-	-	18,956	83,379
-	-	529,482	622,100
2,175,907	-	-	2,312,371
57,000	135,200	206,000	398,200
56,758	88,186	168,361	313,305
43,939	-	-	43,939
<u>2,333,604</u>	<u>223,386</u>	<u>1,426,421</u>	<u>13,100,981</u>
<u>(2,333,010)</u>	<u>(216,084)</u>	<u>(314,745)</u>	<u>(3,309,521)</u>
2,875,000	-	-	2,875,000
-	-	-	223,366
156,132	265,616	441,475	2,278,293
(565,549)	-	(18,208)	(2,278,293)
<u>2,465,583</u>	<u>265,616</u>	<u>423,267</u>	<u>3,098,366</u>
<u>132,573</u>	<u>49,532</u>	<u>108,522</u>	<u>(211,155)</u>
-	-	1,554,770	3,816,498
-	3,641,225	(239,954)	3,401,271
-	3,641,225	1,314,816	7,217,769
<u>\$ 132,573</u>	<u>\$ 3,690,757</u>	<u>\$ 1,423,338</u>	<u>\$ 7,006,614</u>

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**STATE OF NEW MEXICO**

Roosevelt County

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

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$	(211,155)
--	----	-----------

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 expenditures		2,312,371
Depreciation expense		(638,530)
Cost basis of disposed capital assets		(144,993)

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

Deferred inflows related to property taxes		(75,874)
--	--	----------

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:

Employer contributions subsequent to the measurement date		384,223
Pension expense		(201,441)

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:

Increase in accrued compensated absences not due and payable		(98,511)
Increase in accrued interest payable		(21,962)
Amortization of bond premium		1,430
Debt proceeds		(2,875,000)
Principal payments on bonds		155,000
Principal payments on notes and leases payable		243,200
		243,200

Change in net position of governmental activities	\$	(1,171,242)
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The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-1

Roosevelt 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		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes				
Property	\$ 3,476,243	\$ 3,476,243	\$ 3,509,292	\$ 33,049
Gross receipts	1,787,343	2,126,093	2,141,817	15,724
Gasoline and motor vehicle	237,150	237,150	226,203	(10,947)
Other	371,875	371,875	331,209	(40,666)
Intergovernmental income:				
State operating grants	710,000	751,772	752,677	905
State capital grants	125,000	125,000	124,939	(61)
Payment in lieu of taxes	27,568	27,568	25,252	(2,316)
Charges for services	806,400	362,865	302,551	(60,314)
Licenses and fees	3,000	2,500	2,204	(296)
Investment income	10,000	10,000	20,112	10,112
Miscellaneous	25,500	99,253	135,125	35,872
<i>Total revenues</i>	<u>7,580,079</u>	<u>7,590,319</u>	<u>7,571,381</u>	<u>(18,938)</u>
<i>Expenditures:</i>				
Current:				
General government	3,250,214	3,540,941	3,776,884	(235,943)
Public safety	3,567,776	3,538,749	3,193,584	345,165
Public works	-	-	-	-
Culture and recreation	104,519	84,606	63,209	21,397
Health and welfare	-	-	-	-
Capital outlay	203,492	166,177	155,804	10,373
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,126,001</u>	<u>7,330,473</u>	<u>7,189,481</u>	<u>140,992</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>454,078</u>	<u>259,846</u>	<u>381,900</u>	<u>122,054</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(1,019,627)	(843,003)	-	843,003
Proceeds from sale of equipment	-	-	439	439
Transfers in	565,549	583,157	583,157	-
Transfers (out)	-	-	(1,694,536)	(1,694,536)
<i>Total other financing sources (uses)</i>	<u>(454,078)</u>	<u>(259,846)</u>	<u>(1,110,940)</u>	<u>(851,094)</u>
<i>Net change in fund balance</i>	-	-	(729,040)	(729,040)
<i>Fund balance - beginning of year</i>	-	-	1,820,816	1,820,816
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,091,776</u>	<u>\$ 1,091,776</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (729,040)
Adjustments to revenues for taxes and charges for services				316,135
Adjustments to expenditures for insurance, materials, other charges, and payroll expenditures				(102,823)
Net change in fund balance (GAAP)				<u>\$ (515,728)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-2

Roosevelt County

Road 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	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	216,031	520,708	536,416	15,708
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	1,353,845	764,909	-	(764,909)
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	195,766	195,766	-	(195,766)
<i>Total revenues</i>	<u>1,765,642</u>	<u>1,481,383</u>	<u>536,416</u>	<u>(944,967)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	3,029,058	2,267,086	1,709,714	557,372
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,029,058</u>	<u>2,267,086</u>	<u>1,709,714</u>	<u>557,372</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,263,416)</u>	<u>(785,703)</u>	<u>(1,173,298)</u>	<u>(387,595)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	44,491	(265,841)	-	265,841
Proceeds from sale of equipment	-	-	222,927	222,927
Transfers in	1,218,925	1,051,544	831,913	(219,631)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,263,416</u>	<u>785,703</u>	<u>1,054,840</u>	<u>269,137</u>
<i>Net change in fund balance</i>	-	-	(118,458)	(118,458)
<i>Fund balance - beginning of year</i>	-	-	118,458	118,458
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (118,458)
Adjustments to revenues for state capital grants				153,728
Adjustments to expenditures for capital outlay expenditures				(22,934)
Net change in fund balance (GAAP)				<u>\$ 12,336</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-3

Roosevelt County

GRT Roosevelt General Hospital 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	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</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)	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
Adjustments to revenues for gross receipts taxes				94,228
Adjustments to expenditures for health and welfare function accruals				(92,618)
Net change in fund balance (GAAP)				<u>\$ 1,610</u>

The accompanying notes are an integral part of these financial statements

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

Exhibit D-1

<i>Assets</i>	
Cash	\$ 105,394
Property taxes receivable	<u>270,451</u>
<i>Total assets</i>	<u><u>\$ 375,845</u></u>
 <i>Liabilities</i>	
Deposits held in trust	\$ 105,394
Due to other taxing entities	<u>270,451</u>
<i>Total liabilities</i>	<u><u>\$ 375,845</u></u>

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
Roosevelt County  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies**

Roosevelt County is a political sub-division of the State of New Mexico established under the provisions of Section 22-22-1 of NMSA, 1978 compilation and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commissions-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.

Roosevelt 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 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 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 Roosevelt County is presented to assist in the understanding of Roosevelt County's financial statements. The financial statements and notes are the representation of Roosevelt 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 as applied to governmental entities.

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,

**STATE OF NEW MEXICO**  
Roosevelt County  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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.

*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, though legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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 no component units, and is not a component unit of another governmental agency.

*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 nonfiduciary activities of the primary government. For the most part, the effect of interfund 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 County does not have any *business-type activities*.

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 are reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.



**STATE OF NEW MEXICO**  
Roosevelt County  
Notes to the 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 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. 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.

**STATE OF NEW MEXICO**  
Roosevelt County  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies** (continued)

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

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.

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 of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following, which includes funds that were not required to be presented as major but were at the discretion of management:

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 *Road Special Revenue Fund* is used to account for funds used to maintain roads for which the County has accounted for in this fund, including but not limited to administration, operation, maintenance, and capital outlay. Revenues are provided by motor vehicle fees, gas taxes, state appropriations, and state severance tax bonds. It was approved by the governing body by default upon approval of the budget.

The *GRT Roosevelt General Hospital Special Revenue Fund* was reactivated for FY16 to better account for management of GRT collected and distributed for Roosevelt County Special Hospital District. The funds were passing through general fund in FY15 and prior, thus this fund was reactivated to pull these funds out and separate from general fund. It was approved by the governing body by default upon approval of the budget.

The *Courthouse Renovation Debt Service Fund* was established to account for NMFA loan acquired for Courthouse mold remediation and HVAC renovation. It was approved by the governing body by default upon approval of the budget.

The *Magistrate Court Debt Service Fund* was established to account for NMFA loan acquired for the design and construction of Magistrate Court. It was approved by the governing body by default upon approval of the budget.

Additionally, the government reports the following agency fund:

*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. The agency fund is used to account for collection and disbursement of other trust accounts for the Roosevelt County

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.

**STATE OF NEW MEXICO**  
Roosevelt County  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies (continued)**

*D. Assets, Deferred Outflows of Resources Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity*

**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.

**Receivables and Payables**

Interfund activity is reported as 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.

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 operating 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 are property, plant, equipment, and infrastructure assets, (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Roosevelt County was a phase II government for purposes of implementing GASB 34. Therefore, the County was required to report its major general infrastructure assets retroactively to June 30, 1980. The County has made the required restatement for infrastructure assets retroactive to June 30, 1980, in order to properly implement GASB 34. 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).

**STATE OF NEW MEXICO**  
Roosevelt County  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies** (continued)

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

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.

The County has an intangible asset for internally generated software and has determined that this software has an indefinite useful life and is not subject to amortization.

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 improvements	20-40
Equipment and vehicles	5
Infrastructure	40

**Deferred Outflow 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: employer contributions subsequent to the measurement date in the amount of \$384,223. This amount is reported in the Statement of Net Position. This amount is deferred and recognized as an outflow of resources in the next period.

**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, FICA, and Medicare payables.

**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 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 deferred inflow of resources. The County has two types of items present on the Statement of Net Position which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, Net difference between projected and actual earnings on pension assets in the amount of \$1,196,046 and Change in Experience Assumptions in the amount of \$71,717 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.

**STATE OF NEW MEXICO**  
Roosevelt County  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies (continued)**

- D. Assets, Deferred Outflows of Resources Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)*

**Compensated Absences**

Qualified employees are entitled to accumulate annual leave and compensated time according to a graduated leave schedule of depending on length of service. No more than thirty (30) working days, or two hundred and forty (240) hours of annual leave, may be carried forward from one calendar year to the next. All excess annual leave shall be forfeited, if not used, unless extenuating circumstances warrant approval of an extension by the County Commissioners of Roosevelt County. In addition upon approval, the employee is entitled to unused holiday time if not used 6 months from date of holiday.

Qualified employees are entitled to accumulate sick leave at a rate of twelve days per year. Sick leave can be carried over from year to year up to 1,040 hours (130 days). Upon termination employees receive one-sixth (1/6) pay for sick time accumulated up to a limit of 174 hours, which is one-sixth of the maximum accumulation allowed.

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 vacation 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 34 was implemented, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or on a straight-line basis if the difference is inconsequential. 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 an other financing source, net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**Fund Balance Classification Policies and Procedures**

For committed fund balance, the County's highest level of decision-making authority is the County Commission. The formal action that is required to be taken to establish a fund balance commitment is the County Commission.

For assigned fund balance, the County Commission or an official or body to which the County Commission delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund. Unassigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

For the classification of fund balances, the County considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the County considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**STATE OF NEW MEXICO**  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

**Nonspendable Fund Balance**

At June 30, 2015, the County does not have any amounts in the form of nonspendable fund balance.

**Restricted and Committed Fund Balance**

At June 30, 2015, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$5,399,299 for various County operations as restricted by enabling legislation. The County has also presented committed fund balance on the governmental funds balance sheet in the amount of \$1,823,076 in order to provide services throughout the County. The details of these fund balance items are located on the governmental funds balance sheet as detailed on pages 18-19.

**Minimum Fund Balance Policy**

The County's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the County holds cash reserves of 3/12<sup>th</sup> the General Fund expenditures.

**Net Position**

The financial statements net position is reported in three categories: net investment in capital assets, restricted, and unrestricted:

- **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. For the fiscal year ended June 30, 2015, the County had unspent bond proceeds of \$3,690,757.
- **Restricted Net Position** – Net position is reported as restricted when constraints placed on net position 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 do not meet the definition of “restricted” and “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 depreciation on assets over their estimated useful lives, net pension liability calculations, and the current portion of accrued compensated absences.

**STATE OF NEW MEXICO**  
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**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. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total at the fund level.

These budgets are prepared on the Non-GAAP cash budgetary basis. Budgetary basis expenditures exclude encumbrances. The budget secures appropriation of funds for only one year. 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:

*Budgetary Information*

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ 454,078	\$ 259,846
Road Special Revenue Fund	\$ (1,263,416)	\$ (785,703)
GRT Roosevelt General Hospital Special Revenue Fund	\$ -	\$ -
Courthouse Renovation Debt Service Fund	\$ -	\$ (2,440,028)
Magistrate Court Debt Service Fund	\$ -	\$ (265,616)
Other Governmental Funds	\$ (197,171)	\$ (832,871)

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2015 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**  
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**NOTE 3. Deposits and Investments**

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

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

The rate of interest in non-demand interest-bearing accounts 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 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 a noninterest-bearing transaction account (including an Interest on Lawyer Trust Account) no longer will receive unlimited deposit insurance coverage by the FDIC. Beginning January 1, 2013, all of the County's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the Standard Maximum Deposit Insurance Amount of \$250,000.

**Custodial Credit Risk – Deposits**

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2015, \$5,845,900 of the County's bank balance of \$6,345,900 was exposed to custodial credit risk. Although the \$5,845,900 was uninsured, it was collateralized by collateral held by the pledging bank's trust department, not in the County's name. None of the County's deposits were uninsured and uncollateralized at June 30, 2015.

	Western Bank	James Polk Stone Community Bank	Total
Amount of deposits	\$ 3,393,668	\$ 2,952,232	\$ 6,345,900
FDIC coverage	(250,000)	(250,000)	(500,000)
Total uninsured public funds	<u>3,143,668</u>	<u>2,702,232</u>	<u>5,845,900</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	3,143,668	2,702,232	5,845,900
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50%)	\$ 1,571,834	\$ 1,351,116	\$ 2,922,950
Pledged securities	4,191,961	3,880,036	8,071,997
Over (under) collateralized	<u>\$ 2,620,127</u>	<u>\$ 2,528,920</u>	<u>\$ 5,149,047</u>



**STATE OF NEW MEXICO**  
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**NOTE 3. Deposits and Investments** (continued)

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

**Investments**

Credit Risk

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

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

<u>Investment Type</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
New MexiGrow LGIP	77.7	\$ 711	AAA <sup>m</sup> ***
U.S. Treasury MM Mutual Fund	<1 year	589,030 *	AAA **
		<u>\$ 589,741</u>	

\*Restricted cash and cash equivalents per Exhibit A-1

\*\* Based off Moody's Rating

\*\*\* Based off Standard & Poor's rating

The investments are listed on Schedule IV of this report. The types of investment, interest rate, maturity date and fair value per security are included in the schedule.

*Interest Rate Risk – Investments.* The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

*Concentration of Credit Risk – Investments.* For an investment, concentration of credit risk is when any one issuer is 5% or more of the investment portfolio of the County. The investments in U.S Treasury Money Market Mutual Funds represent 99% of the investment portfolio. Since the County only purchases investments with the highest credit rating, the concentration is not viewed to be an additional risk by the County. The County's policy related to concentration of credit risk 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).

The County utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Agency Funds are all in multiple accounts. Separate accounts also exist for Sheriff's Office confiscation related funds.

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**NOTE 3. Deposits and Investments** (continued)

**Reconciliation of Cash and Cash Equivalents**

Reconciliation to the Statement of Net Position

Cash and cash equivalents per Exhibit A-1	\$ 5,701,615
Restricted cash and cash equivalents per Exhibit A-1	589,030
Cash - Statement of Fiduciary Assets and Liabilities per Exhibit D-1	<u>105,394</u>
Total cash, cash equivalents, and investments	6,396,750
Add: outstanding checks	542,759
Less: deposits in transit	(3,468)
Less: investments in U.S. Treasury MM mutual fund	(589,030)
Less: investments in U.S. Treasury Notes/Cash	(711)
Less: petty cash	<u>(400)</u>
Bank balance of deposits	<u><u>\$ 6,345,900</u></u>

**STATE OF NEW MEXICO**  
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Notes to the Financial Statements  
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**NOTE 4. Receivables**

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

	General Fund	Road Fund	GRT Roosevelt General Hospital Fund
Current receivables:			
Property taxes	\$ 218,078	\$ -	\$ -
Other taxes:			
Gross receipts taxes	343,195	-	94,228
Gasoline and oil taxes	5,808	-	-
Other taxes	45,156	26,613	-
Other receivables:			
Charges for services	1,404	-	-
Intergovernmental:			
State	-	147,342	-
Miscellaneous	4,721	-	-
Totals	<u>\$ 618,362</u>	<u>\$ 173,955</u>	<u>\$ 94,228</u>

	Other Governmental Funds	Total
Current receivables:		
Property taxes	\$ -	\$ 218,078
Other taxes:		
Gross receipts taxes	70,939	508,362
Gasoline and oil taxes	-	5,808
Other taxes	-	71,769
Other:		
Charges for services	455	1,859
Intergovernmental:		
State	796	148,138
Miscellaneous	608	5,329
Totals	<u>\$ 72,798</u>	<u>\$ 959,343</u>

In accordance with GASB Statement No. 33, there are no amounts of property tax revenues that were not collected within the period of availability have been reclassified as deferred inflow of resources in the governmental fund financial statements.

All of the above receivables are deemed to be fully collectible.

**STATE OF NEW MEXICO**  
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June 30, 2015

**NOTE 5. Interfund Receivables, Payables, and Transfers**

Net operating transfers, made to close out funds and to supplement other funding sources in the normal course of operations, were as follows:

<b>Transfers Out</b>	<b>Transfers In</b>	<b>Amount</b>
<b>Primary Government</b>		
Sheriff's Evidence Special Revenue Fund	General Fund	\$ 12,600
Courthouse Renovation Debt Service Fund	General Fund	565,549
Kenna Community Center Capital Projects Fund	General Fund	5,008
Arch Co. Fire/EMS Special Revenue Fund	Arch Fire Protection Special Revenue Fund	600
General Fund	Road Special Revenue Fund	831,913
General Fund	Predatory Animal Control Special Revenue Fund	34,912
General Fund	Detention Center Bond Debt Service Fund	245,342
General Fund	County Healthcare Special Revenue Fund	45,316
General Fund	Indoor Arena Debt Service Fund	115,305
General Fund	Courthouse Renovation Debt Service Fund	156,132
General Fund	Magistrate Court Debt Service Fund	<u>265,616</u>
	Total	<u><u>\$ 2,278,293</u></u>

There were no interfund balances at June 30, 2015.

**STATE OF NEW MEXICO**  
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**NOTE 6. Capital Assets**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2015. Land, intangible assets, and construction in progress are not subject to depreciation.

	Balance June 30, 2014	Adjustments to Net Assets	Additions	Deletions	Balance June 30, 2015
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 76,920	\$ 777,380	\$ -	\$ -	\$ 854,300
Construction in progress	-	-	2,175,907	-	2,175,907
<b>Total capital assets not being depreciated</b>	<b>76,920</b>	<b>777,380</b>	<b>2,175,907</b>	<b>-</b>	<b>3,030,207</b>
Capital assets being depreciated:					
Buildings and improvements	14,581,503	5,479,737	-	-	20,061,240
Equipment and vehicle	7,791,319	(579,605)	136,464	1,176,778	6,171,400
Infrastructure	21,587,999	(2,795,486)	-	-	18,792,513
<b>Total capital assets being depreciated</b>	<b>43,960,821</b>	<b>2,104,646</b>	<b>136,464</b>	<b>1,176,778</b>	<b>45,025,153</b>
Less accumulated depreciation:					
Buildings and improvements	10,676,535	2,974,953	275,464	-	13,926,952
Equipment and vehicle	8,492,290	(2,182,578)	363,066	1,031,785	5,640,993
Infrastructure	20,711,728	(1,919,215)	-	-	18,792,513
<b>Total accumulated depreciation</b>	<b>39,880,553</b>	<b>(1,126,840)</b>	<b>638,530</b>	<b>1,031,785</b>	<b>38,360,458</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 4,157,188</b>	<b>\$ 4,008,866</b>	<b>\$ 1,673,841</b>	<b>\$ 144,993</b>	<b>\$ 9,694,902</b>

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

General Government	<u>\$ 638,530</u>
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**STATE OF NEW MEXICO**  
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Notes to the Financial Statements  
June 30, 2015

**NOTE 7. 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
Gross Receipts Revenue Bonds	\$ 2,345,000	\$ -	\$ 155,000	\$ 2,190,000	\$ 160,000
NMFA Loans	1,586,800	6,543,741	243,200	7,887,341	300,395
Compensated Absences	38,358	222,411	123,900	136,869	123,900
<b>Total long-term debt</b>	<b>\$ 3,970,158</b>	<b>\$ 6,766,152</b>	<b>\$ 522,100</b>	<b>\$ 10,214,210</b>	<b>\$ 584,295</b>

The County did not properly record debt that was received in the prior year therefore an additional amount of \$3,668,741 was added to current year addition. See Note 17 for more information.

Gross Receipts Revenue Bonds

Bonds outstanding at June 30, 2015 consisted of the following:

2006 Gross Receipts Tax Revenue Bond	
Original issue	\$3,375,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2026
Interest rates from 3.75% to 4.35%	

The annual requirements to amortize the Bonds Payable as of June 30, 2015, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 160,000	\$ 92,355	\$ 252,355
2017	170,000	85,555	255,555
2018	175,000	78,330	253,330
2019	180,000	70,893	250,893
2020	190,000	63,243	253,243
2021-2025	1,070,000	193,089	1,263,089
2026-2028	245,000	10,658	255,658
	<b>\$ 2,190,000</b>	<b>\$ 594,123</b>	<b>\$ 2,784,123</b>

Gross Receipts Revenue Bonds have been liquidated by the Detention Center Bond Fund Debt Service Fund in prior years.

**STATE OF NEW MEXICO**  
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**NOTE 7. Long-term Debt** (continued)

Loans

The County has entered into several loan agreements with the New Mexico Finance Authority, wherein the County pledged revenue derived from New Mexico Fire Protection Allotments to cover debt service. This revenue is subject to intercept agreements. The NMFA loans are as follows:

**NMFA Loans:**

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2015
NMFA- Arena- 2561-PP	Mar-11	May-36	4.22%	\$ 1,638,201	\$ 1,535,800
NMFA- New Magistrate Court- 3115-PP	Jun-14	May-34	3.28%	3,668,741	3,533,541
NMFA- HVAC System- 3147-PP	Aug-14	May-34	3.39%	2,875,000	<u>2,818,000</u>
Total NMFA Loans					<u>\$ 7,887,341</u>

The annual requirements to amortize the Loans Payable as of June 30, 2015, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 300,395	\$ 244,914	\$ 545,309
2017	301,116	242,736	543,852
2018	306,318	239,567	545,885
2019	310,058	235,212	545,270
2020	316,335	229,726	546,061
2021-2025	1,703,807	1,029,292	2,733,099
2026-2030	2,259,059	724,998	2,984,057
2031-3035	2,289,253	245,779	2,535,032
2036	<u>101,000</u>	<u>3,030</u>	<u>104,030</u>
	<u>\$ 7,887,341</u>	<u>\$ 3,195,254</u>	<u>\$ 11,082,595</u>

**STATE OF NEW MEXICO**  
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**NOTE 7. Long-term Debt** (continued)

Loans have been liquidated by the Indoor Arena, Courthouse Renovation and Magistrate Court Debt Service Funds in prior years.

Compensated Absences – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2015, compensated absences increased \$98,511 from the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities.

**NOTE 8. Operating Leases**

The County leases equipment under operating leases expiring during the next four years. Although renewal and purchase options are available on these leases, the County considers these to be operating leases as they contain a non-appropriation termination clause.

At June 30, 2015, future minimum lease payments applicable to the operating leases are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2016	\$ 79,488
2017	79,488
2018	79,488
2019	<u>39,744</u>
	<u>\$ 278,208</u>

**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.

Roosevelt 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.



**STATE OF NEW MEXICO**  
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**NOTE 10. Other Required Individual Fund Disclosures**

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

- A. Deficit fund balance of individual funds. There were no individual funds that had deficit fund balances for the year ended June 30, 2015.
- B. Excess of expenditures over appropriations. There were not any funds with expenditures in excess of the budgeted appropriations.
- C. Designated cash appropriations in excess of available balances. There were no funds with designated cash appropriations in excess of available balances for the year ended June 30, 2015.

**NOTE 11. Pension Plan – Public Employees Retirement Association**

**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](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 Roosevelt 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](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf). The PERA coverage options that apply to Roosevelt County are Municipal General Division and Municipal Police Division. Statutorily required contributions to the pension plan from Roosevelt County were \$384,223 for the year ended June 30, 2015.

**STATE OF NEW MEXICO**  
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Notes to the Financial Statements  
June 30, 2015

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

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:*** The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 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. 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.

Roosevelt 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 FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

**For PERA Fund Municipal General Division**, at June 30, 2015, Roosevelt County reported a liability of \$2,235,788 for its proportionate share of the net pension liability. At June 30, 2014, Roosevelt County’s proportion was 0.2866 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, Roosevelt County recognized PERA Fund Municipal General Division pension expense of \$143,406. At June 30, 2015, Roosevelt County reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Changes of assumptions	\$ -	\$ 1,515
Net difference between projected and actual earnings on pension plan investments	-	874,699
County's contributions subsequent to the measurement date	170,754	
<b>Total</b>	<b>\$ 170,754</b>	<b>\$ 876,214</b>

\$170,754 reported as deferred outflows of resources related to pensions resulting from Roosevelt County’s 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.

**STATE OF NEW MEXICO**  
Roosevelt County  
Notes to the Financial Statements  
June 30, 2015

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

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (219,052)
2017	(219,052)
2018	(219,052)
2019	(219,052)
2020	(6)

**For PERA Fund Municipal Police Division**, at June 30, 2015, Roosevelt County reported a liability of \$864,197 for its proportionate share of the net pension liability. At June 30, 2014, Roosevelt County’s proportion was 0.2651 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, Roosevelt County recognized PERA Fund Municipal Police Division pension expense of \$58,035. At June 30, 2015, Roosevelt County reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Changes of assumptions	\$ -	\$ 70,202
Net difference between projected and actual earnings on pension plan investments	-	321,347
County's contributions subsequent to the measurement date	213,469	-
Total	\$ 213,469	\$ 391,549

\$213,469 reported as deferred outflows of resources related to pensions resulting from Roosevelt County’s contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (97,800)
2017	(97,800)
2018	(97,800)
2019	(97,800)
2020	(349)

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

**STATE OF NEW MEXICO**  
Roosevelt County  
Notes to the Financial Statements  
June 30, 2015

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

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

The long term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates 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	21.10%	5.00%
International Equity	24.80	5.20
Private Equity	7.00	8.20
Core and Global Fixed Income	26.10	1.85
Fixed Income Plus Sectors	5.00	4.80
Real Estate	5.00	5.30
Real Assets	7.00	5.70
Absolute Return	4.00	4.15
Total	100.00%	

**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 Employer’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 Roosevelt County’s net pension liability in each PERA Fund Division that Roosevelt 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.

**STATE OF NEW MEXICO**  
Roosevelt County  
Notes to the Financial Statements  
June 30, 2015

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

<b>PERA Fund Municipal General Division</b>	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
County's proportionate share of the net pension liability	\$ 4,214,962	\$ 2,235,788	\$ 706,780

<b>PERA Fund Municipal Police Division</b>	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
County's proportionate share of the net pension liability	\$ 1,648,025	\$ 864,197	\$ 278,923

**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>.

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

*Plan Description.* Roosevelt 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](http://www.nmrhca.state.nm.us).

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

**STATE OF NEW MEXICO**  
Roosevelt County  
Notes to the Financial Statements  
June 30, 2015

**NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan (continued)**

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, 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.

Roosevelt County’s contributions to the RHCA for the years ended June 30, 2015, 2014, and 2013 were \$60,035, \$69,389, and \$71,967, respectively, which equal the required contributions for each year.

**NOTE 13. Joint Powers Agreements**

**Jail Services**

Participants	Roosevelt County and City of Portales
Responsible party	Roosevelt County and City of Portales
Description	Jail services provided for municipal prisoners and offenders by the County. Jail services shall include but shall not be limited to booking, care, housing, feeding, administration of prisoners, and all other mandated, necessary and common functions of a constitutional and statutory jail.
Term of agreement	December 3, 2002 until cancelled
Audit responsibility	Roosevelt County

**NOTE 14. Contingent Liabilities**

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

**NOTE 15. Commitments**

The County’s commitments as of June 30, 2015 are as follows:

Magistrate Court and Detention Center Renovation	\$3,668,741
HVAC project and asbestos removal	33,528

**STATE OF NEW MEXICO**  
Roosevelt County  
Notes to the Financial Statements  
June 30, 2015

**NOTE 16. Net Position Restatement**

The County has a prior period adjustment of \$(4,166,307) which was required for implementation of GASB 68. The adjustment reflects a beginning net pension liability of \$(4,523,799) and a beginning of deferred outflow of resources- employer contributions subsequent to the measurement date of \$357,492.

In addition see below for a complete listing of items that required restatement of net position as of July 1, 2014:

Net position restatement for:	
Implementation of GASBS No. 68	\$ (4,166,307)
NMFA loan payable	(3,641,225)
NMFA loan closing costs and fees	(27,516)
Bond premiums not amortized for implementation of GASBS No. 65	(15,731)
Capital assets and accumulated depreciation	4,008,866
Fund balance restatement (Note 17) for:	
Prior year NMFA loan proceeds	3,641,225
Other adjustment necessary to roll fund balances	<u>(239,954)</u>
	<u>\$ (440,642)</u>

**NOTE 17. Fund Balance Restatement**

The County has a prior period adjustment on the funds due to adjustments necessary to roll forward fund balances from prior years. Total amount of restatement was \$3,641,225 for prior period loan proceeds and (\$239,954) for other adjustments necessary to roll fund balances. Net amount of restatement was \$3,401,271.

**NOTE 18. Restricted Net Position**

The government-wide statement of net position reports \$1,792,816 of restricted net position, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, debt service and capital project funds, see pages 34 and 66-67.

**NOTE 19. Subsequent Events**

The date to which events occurring after June 30, 2015, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statement or disclosures is October 27, 2015, which is the date on which the financial statements were issued.

The County entered into Series 2014 Public Project Revolving Fund Loan in the amount of \$3,668,741 closing August 11, 2015. Principal is due May 1 with a maturity date of May 1, 2034. The GO Bonds have an interest rate of 0.25% to 4.07%.

**NOTE 20. Concentrations**

The County depends on financial resources flowing from, or associated with, property taxes, gross receipts taxes, the Federal Government and the State of New Mexico. Because of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State Appropriations; changes in gross receipts tax rates, collections, tourism, and property values.

**STATE OF NEW MEXICO**  
Roosevelt County  
Notes to the Financial Statements  
June 30, 2015

**NOTE 21. 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.

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 financial statements.

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 the 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.



**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
Roosevelt 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> )
Roosevelt County's proportion of the net pension liability	0.2866%
Roosevelt County's proportionate share of the net pension liability	\$ 2,235,788
Roosevelt County's covered-employee payroll	\$ 1,598,123
Roosevelt County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	139.90%
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, Roosevelt 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

Roosevelt 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> )
Roosevelt County's proportion of the net pension liability	0.2651%
Roosevelt County's proportionate share of the net pension liability	\$ 864,197
Roosevelt County's covered-employee payroll	\$ 1,423,475
Roosevelt County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	60.71%
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, Roosevelt 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**  
 Roosevelt County  
 Schedule of Roosevelt County's Contributions  
 Public Employees Retirement Association (PERA) Plan  
 PERA Fund Municipal General Division  
 Last 10 Fiscal Years\*

	As of and for the year ended June <u>30, 2015</u>
Contractually required contribution	\$ 170,754
Contributions in relation to the contractually required contribution	<u>(170,754)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
Roosevelt County's covered-employee payroll	\$ 1,386,617
Contributions as a percentage of covered-employee payroll	12%

\* 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, Roosevelt 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**  
Roosevelt County  
Schedule of Roosevelt County's Contributions  
Public Employees Retirement Association (PERA) Plan  
PERA Fund Municipal Police Division  
Last 10 Fiscal Years\*

	As of and for the year ended June 30, 2015
Contractually required contribution	\$ 213,469
Contributions in relation to the contractually required contribution	<u>(213,469)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Roosevelt County's covered-employee payroll	\$ 1,522,078
Contributions as a percentage of covered-employee payroll	14%

\* 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, Roosevelt 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**  
Roosevelt 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](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](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**

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**NONMAJOR GOVERNMENTAL FUNDS**

**STATE OF NEW MEXICO**  
Roosevelt County  
Nonmajor Governmental Funds  
June 30, 2015

**Special Revenue Funds**

**Predatory Animal Control Special Revenue Fund** – To account for funds tied directly to the management of the County’s population of predatory animals. Financing is provided by Taylor Grazing Act (6-11-5; NMSA 1978 Compilation) and from transfers from General Fund requested and approved by the governing body.

**County Healthcare Special Revenue Fund** - To account for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute (see Section 7-20E-9, NMSA 1978 Compilation).

**Sheriff’s Evidence Special Revenue Fund** – To account for evidence seized by the Sheriff’s Office. Fund was created by authority of the governing body by default upon approval of the budget.

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

**Corrections Special Revenue Fund** – To account for funds tied directly to inmate welfare. Fund was created by authority of state statute 33-3-25.

**Community Services Center Special Revenue Fund** – To account for the management of legislative funds awarded to the Portales Community Services Center as Roosevelt County has served as the fiscal agent.

**County Clerk’s Fees Special Revenue Fund** – To account for portion of the filing fee charged by the County Clerk. For each fee of twenty-five dollars (\$25.00) collected by the county clerk pursuant to this section, eighteen dollars (\$18.00) shall be deposited in the county general fund and seven dollars (\$7.00) shall be deposited in the county clerk recording and filing fund. Fund was created by authority of state statute Section 14-8-13 NMSA 1978 and 14-8-15

**Misdemeanor Probation Special Revenue Fund** – To account for the Misdemeanor Probation Monitoring Officer for Roosevelt County Magistrate Court, a program authorized pursuant to NMSA § 31-20-5.1 NMSA; Roosevelt County's program complies with guidelines established by the Administrative Office of the Courts.

**Traffic Grants Special Revenue Fund** – To account for grants awarded to Sheriff’s Office for traffic enforcement and alcohol monitoring. Fund was created by authority of the governing body by default upon approval of the budget.

**Milnesand Fire/EMS Special Revenue Fund** – To account for revenues and expenditures of County fire and EMS funds for the community of Milnesand and the surrounding area. Funding is provided by transfers from General Fund and Ambulance Service Fees. Fund was created by authority of the governing body by default upon approval of the budget.

**Milnesand Fire Protection Special Revenue Fund** - To account for revenues and expenditures of fire protection funds for the community of Milnesand and the surrounding area. Funding is provided by allotments from the New Mexico State Fire Marshall’s Office. The funds were created under the authority of state statute (see Section 59A-53-5, NMSA 1978 Compilation).

**Milnesand EMS Special Revenue Fund** - To account for revenues and expenditures of EMS funds for the community of Milnesand and the surrounding area. Funding is provided by allotments from the New Mexico State Fire Marshall’s Office. The funds were created under the authority of state statute (see Section 59A-53-5, NMSA 1978 Compilation).

**Arch Fire/EMS Special Revenue Fund** - To account for revenues and expenditures of County fire and EMS funds for the community of Arch and the surrounding area. Funding is provided by transfers from General Fund and Ambulance Service Fees. Fund was created by authority of the governing body by default upon approval of the budget.

**Arch Fire Protection Special Revenue Fund** - To account for revenues and expenditures of fire protection funds for the communities of Arch and the surrounding area. Funding is provided by allotments from the New Mexico State Fire Marshall’s Office. The funds were created under the authority of state statute (see Section 59A-53-5, NMSA 1978 Compilation).

**STATE OF NEW MEXICO**  
Roosevelt County  
Nonmajor Governmental Funds  
June 30, 2015

**Special Revenue Funds (continued)**

**Arch EMS Special Revenue Fund** - To account for revenues and expenditures of EMS funds for the community of Arch and the surrounding area. Funding is provided by grants from the State of New Mexico Health Department to be utilized for emergency services provided within the County. Funding is authorized by Section 24-10A-6, NMSA, 1978.

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

**Debt Service Funds**

**Bond Acquisition Debt Service Fund** – To account for the funds provided from the County’s bond issues. Resources are used for the purpose of erecting, remodeling, making additions to, or furnishing buildings and purchasing or improving grounds. Authority for creation of the fund is by County Commission Ordinance and the County Commission budget adoption and approval.

**Detention Center Bond Debt Service Fund** – To account for funds provided from the County’s bond issue for the purpose of remodeling, making additions to, or improving grounds of the Detention Center.. Authority for creation of the fund is by County Commission Ordinance and the County Commission budget adoption and approval.

**Indoor Arena Debt Service Fund** – To account for funds used to accumulate resources to retire bonds issued for the purpose of purchasing and equipping an indoor arena at the fair grounds. Authority for creation of the fund is by County Commission Ordinance and the County Commission budget adoption and approval..

**Capital Projects Funds**

**CDBG Grant Capital Projects Fund** – To account for a Community Development Block Grant from the State of New Mexico and the Department of Housing and Urban Development to develop viable urban communities by providing decent housing and suitable living environment, and by expanding economic opportunities, principally for low- and moderate- income persons. This program is authorized under Title I of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq.

**Kenna Community Center Capital Projects Fund** – To account for funding utilized to construct the Kenna Community Center. Fund was created by authority of the governing body by default upon approval of the budget.

**STATE OF NEW MEXICO**  
Roosevelt County  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2015

Special Revenue

	<u>Predatory Animal Control</u>	<u>County Healthcare</u>	<u>Sheriff's Evidence Fund</u>	<u>Law Enforcement Protection Fund</u>
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 57,543	\$ 54	\$ -
Investments	-	-	-	-
Current receivables:				
Other taxes	-	70,939	-	-
Other	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 128,482</u>	<u>\$ 54</u>	<u>\$ -</u>
<i>Liabilities, deferred inflows or resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	-
EMS and Fire departments	-	-	-	-
Public safety	-	-	54	-
Healthcare	-	128,482	-	-
Debt service expenditures	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>128,482</u>	<u>54</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 128,482</u>	<u>\$ 54</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Corrections Fund	Community Services Center	County Clerk's Fees	Misdemeanor Probation	Traffic Grants	Milnesand Fire/EMS
\$ 100,519	\$ -	\$ 58,952	\$ 32,337	\$ 10,095	\$ 149,052
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	796	608
<u>\$ 100,519</u>	<u>\$ -</u>	<u>\$ 58,952</u>	<u>\$ 32,337</u>	<u>\$ 10,891</u>	<u>\$ 149,660</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160
-	-	-	-	-	160
-	-	58,952	-	-	-
-	-	-	-	-	149,500
100,519	-	-	32,337	10,891	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>100,519</u>	<u>-</u>	<u>58,952</u>	<u>32,337</u>	<u>10,891</u>	<u>149,500</u>
<u>\$ 100,519</u>	<u>\$ -</u>	<u>\$ 58,952</u>	<u>\$ 32,337</u>	<u>\$ 10,891</u>	<u>\$ 149,660</u>

**STATE OF NEW MEXICO**  
Roosevelt County  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2015

Special Revenue

	<u>Milnesand Fire Protection</u>	<u>Milnesand EMS</u>	<u>Arch Fire/EMS</u>	<u>Arch Fire Protection</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 460,226	\$ 1,028	\$ 26,383	\$ 33,176
Investments	-	-	-	24
Current receivables:				
Other taxes	-	-	-	-
Other	-	-	455	-
<i>Total assets</i>	<u>\$ 460,226</u>	<u>\$ 1,028</u>	<u>\$ 26,838</u>	<u>\$ 33,200</u>
<i>Liabilities</i>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168</u>	<u>\$ -</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>168</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	-
EMS and Fire departments	460,226	1,028	26,670	33,200
Public safety	-	-	-	-
Healthcare	-	-	-	-
Debt service expenditures	-	-	-	-
<i>Total fund balances</i>	<u>460,226</u>	<u>1,028</u>	<u>26,670</u>	<u>33,200</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 460,226</u>	<u>\$ 1,028</u>	<u>\$ 26,838</u>	<u>\$ 33,200</u>

The accompanying notes are an integral part of these financial statements

Special Revenue		Debt Service			Capital Project
Arch EMS	Reappraisal	Bond Acquisition Fund	Detention Center Bond Fund	Indoor Arena Debt Service	CDBG Grant
\$ 17,141	\$ 270,352	\$ -	\$ -	\$ 138,842	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 17,141</u>	<u>\$ 270,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,842</u>	<u>\$ -</u>
\$ -	\$ 50	\$ -	\$ -	\$ 4,806	\$ -
-	50	-	-	4,806	-
-	270,302	-	-	-	-
17,141	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	134,036	-
<u>17,141</u>	<u>270,302</u>	<u>-</u>	<u>-</u>	<u>134,036</u>	<u>-</u>
<u>\$ 17,141</u>	<u>\$ 270,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,842</u>	<u>\$ -</u>

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## STATE OF NEW MEXICO

Roosevelt County

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2015

Statement A-2

Page 3 of 3

	<u>Capital Project</u>	
	Kenna Community Center	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>
<i>Assets</i>		
Cash and cash equivalents	\$ -	\$ 1,355,700
Investments	-	24
Current receivables:		
Other taxes	-	70,939
Other	-	1,859
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 1,428,522</u>
<i>Liabilities</i>		
Accounts payable	<u>\$ -</u>	<u>\$ 5,184</u>
<i>Total liabilities</i>	<u>-</u>	<u>5,184</u>
<i>Fund balances</i>		
Spendable		
Restricted for:		
General county operations	-	329,254
EMS and Fire departments	-	687,765
Public safety	-	143,801
Healthcare	-	128,482
Debt service expenditures	-	134,036
<i>Total fund balances</i>	<u>-</u>	<u>1,423,338</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 1,428,522</u>

The accompanying notes are an integral part of these financial statements

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

Special Revenue

	<u>Predatory Animal Control</u>	<u>County Healthcare</u>	<u>Sheriff's Evidence Fund</u>	<u>Law Enforcement Fund</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	568,102	-	-
Gasoline and motor vehicle taxes	-	-	-	-
Intergovernmental:				
State operating grants	579	-	-	27,800
Charges for services	-	-	-	-
Investment income (loss)	-	-	9	-
Miscellaneous	-	464	12,600	-
<i>Total revenues</i>	<u>579</u>	<u>568,566</u>	<u>12,609</u>	<u>27,800</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	28,268
Culture and recreation	-	-	-	-
Health and welfare	35,491	493,991	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>35,491</u>	<u>493,991</u>	<u>-</u>	<u>28,268</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(34,912)</u>	<u>74,575</u>	<u>12,609</u>	<u>(468)</u>
<i>Other financing sources (uses)</i>				
Transfers in	34,912	45,316	-	-
Transfers (out)	-	-	(12,600)	-
<i>Total other financing sources (uses)</i>	<u>34,912</u>	<u>45,316</u>	<u>(12,600)</u>	<u>-</u>
<i>Net change in fund balances</i>	-	119,891	9	(468)
<i>Fund balances - beginning of year</i>	-	255,356	45	468
<i>Fund balances - restatement</i>	-	(246,765)	-	-
<i>Fund balances - beginning, as restated</i>	-	8,591	45	468
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 128,482</u>	<u>\$ 54</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Corrections Fund</u>	<u>Community Services Center</u>	<u>County Clerk's Fees</u>	<u>Misdemeanor Probation</u>	<u>Traffic Grants</u>	<u>Milnesand Fire/EMS</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	11,899	-
83,183	-	27,650	55,951	-	5,442
-	-	654	-	-	-
399	-	-	-	-	2,094
<u>83,582</u>	<u>-</u>	<u>28,304</u>	<u>55,951</u>	<u>11,899</u>	<u>7,536</u>
-	-	27,925	-	-	-
82,900	-	-	49,312	15,618	24,352
-	18,956	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>82,900</u>	<u>18,956</u>	<u>27,925</u>	<u>49,312</u>	<u>15,618</u>	<u>24,352</u>
<u>682</u>	<u>(18,956)</u>	<u>379</u>	<u>6,639</u>	<u>(3,719)</u>	<u>(16,816)</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
682	(18,956)	379	6,639	(3,719)	(16,816)
99,837	-	58,573	25,698	14,610	166,316
-	18,956	-	-	-	-
<u>99,837</u>	<u>18,956</u>	<u>58,573</u>	<u>25,698</u>	<u>14,610</u>	<u>166,316</u>
<u>\$ 100,519</u>	<u>\$ -</u>	<u>\$ 58,952</u>	<u>\$ 32,337</u>	<u>\$ 10,891</u>	<u>\$ 149,500</u>

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

Special Revenue

	<u>Milnesand Fire Protection</u>	<u>Milnesand EMS</u>	<u>Arch Fire/EMS</u>	<u>Arch Fire Protection</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle taxes	-	-	-	-
Intergovernmental:				
State operating grants	147,964	7,366	-	49,324
Charges for services	-	-	10,942	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>147,964</u>	<u>7,366</u>	<u>10,942</u>	<u>49,324</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	34,719	7,100	8,649	90,478
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>34,719</u>	<u>7,100</u>	<u>8,649</u>	<u>90,478</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>113,245</u>	<u>266</u>	<u>2,293</u>	<u>(41,154)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	600
Transfers (out)	-	-	(600)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(600)</u>	<u>600</u>
<i>Net change in fund balances</i>	113,245	266	1,693	(40,554)
<i>Fund balances - beginning of year</i>	357,127	762	24,977	73,754
<i>Fund balances - restatement</i>	<u>(10,146)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning, as restated</i>	<u>346,981</u>	<u>762</u>	<u>24,977</u>	<u>73,754</u>
<i>Fund balances - end of year</i>	<u>\$ 460,226</u>	<u>\$ 1,028</u>	<u>\$ 26,670</u>	<u>\$ 33,200</u>

The accompanying notes are an integral part of these financial statements

Special Revenue		Debt Service			Capital Project
Arch EMS	Reappraisal	Bond Acquisition Fund	Detention Center Bond Fund	Indoor Arena Debt Service	CDBG Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
19,313	-	-	-	-	-
-	75,325	-	-	-	-
-	3,603	-	-	-	-
-	1,013	-	-	-	-
<u>19,313</u>	<u>79,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	117,997	-	-	-	-
16,304	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	155,000	51,000	-
-	-	-	99,555	68,806	-
-	-	-	-	-	-
<u>16,304</u>	<u>117,997</u>	<u>-</u>	<u>254,555</u>	<u>119,806</u>	<u>-</u>
<u>3,009</u>	<u>(38,056)</u>	<u>-</u>	<u>(254,555)</u>	<u>(119,806)</u>	<u>-</u>
-	-	-	245,342	115,305	-
-	-	-	-	-	-
-	-	-	<u>245,342</u>	<u>115,305</u>	<u>-</u>
3,009	(38,056)	-	(9,213)	(4,501)	-
14,132	310,049	308	9,213	138,537	-
-	(1,691)	(308)	-	-	-
<u>14,132</u>	<u>308,358</u>	<u>-</u>	<u>9,213</u>	<u>138,537</u>	<u>-</u>
<u>\$ 17,141</u>	<u>\$ 270,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,036</u>	<u>\$ -</u>

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STATE OF NEW MEXICO

Roosevelt County

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2015

Statement A-2

Page 3 of 3

	<u>Capital Project</u>	
	Kenna Community Center	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>
<i>Revenues:</i>		
Taxes:		
Property	\$ -	\$ -
Gross receipts	-	568,102
Gasoline and motor vehicle taxes	-	-
Intergovernmental:		
State operating grants	-	264,245
Charges for services	-	258,493
Investment income (loss)	-	4,266
Miscellaneous	-	16,570
<i>Total revenues</i>	<u>-</u>	<u>1,111,676</u>
<i>Expenditures:</i>		
Current:		
General government	-	145,922
Public safety	-	357,700
Culture and recreation	-	18,956
Health and welfare	-	529,482
Capital outlay	-	-
Debt service:		
Principal	-	206,000
Interest	-	168,361
Debt issuance costs	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,426,421</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(314,745)</u>
<i>Other financing sources (uses)</i>		
Transfers in	-	441,475
Transfers (out)	(5,008)	(18,208)
<i>Total other financing sources (uses)</i>	<u>(5,008)</u>	<u>423,267</u>
<i>Net change in fund balances</i>	(5,008)	108,522
<i>Fund balances - beginning of year</i>	5,008	1,554,770
<i>Fund balances - restatement</i>	<u>-</u>	<u>(239,954)</u>
<i>Fund balances - beginning, as restated</i>	<u>5,008</u>	<u>1,314,816</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 1,423,338</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Predatory Animal Control 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

Statement B-1

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	624	624	579	(45)
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>624</u>	<u>624</u>	<u>579</u>	<u>(45)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	34,500	35,491	35,491	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>34,500</u>	<u>35,491</u>	<u>35,491</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(33,876)</u>	<u>(34,867)</u>	<u>(34,912)</u>	<u>(45)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(48)	-	48
Loan proceeds	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	33,876	34,915	34,912	(3)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>33,876</u>	<u>34,867</u>	<u>34,912</u>	<u>45</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
Roosevelt County  
County Healthcare 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

Statement B-2

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	448,276	448,676	497,163	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	464	464
<i>Total revenues</i>	<u>448,276</u>	<u>448,676</u>	<u>497,627</u>	<u>464</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	446,175	493,993	493,991	2
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>446,175</u>	<u>493,993</u>	<u>493,991</u>	<u>2</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,101</u>	<u>(45,317)</u>	<u>3,636</u>	<u>466</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(2,101)	45,317	-	(45,317)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	45,316	45,316
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(2,101)</u>	<u>45,317</u>	<u>45,316</u>	<u>(1)</u>
<i>Net change in fund balance</i>	-	-	48,952	48,952
<i>Fund balances - beginning of year</i>	-	-	255,356	255,356
<i>Fund balances - restatement</i>	-	-	(246,765)	(246,765)
<i>Fund balances - beginning, as restated</i>	-	-	8,591	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,543</u>	<u>\$ 304,308</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 48,952
Adjustments to revenues for gross receipts taxes				70,939
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 119,891</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Sheriff's Evidence 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

Statement B-3

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	9	9
Miscellaneous	-	12,600	12,600	-
<i>Total revenues</i>	<u>-</u>	<u>12,600</u>	<u>12,609</u>	<u>9</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>12,600</u>	<u>12,609</u>	<u>9</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(12,600)	-	12,600
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	(12,600)	(12,600)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(12,600)</u>	<u>(12,600)</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	9	9
<i>Fund balance - beginning of year</i>	-	-	45	45
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ 54</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 9
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 9</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt 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

Statement B-4

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	27,800	27,800	27,800	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>27,800</u>	<u>27,800</u>	<u>27,800</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	27,800	28,268	28,268	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>27,800</u>	<u>28,268</u>	<u>28,268</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(468)</u>	<u>(468)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	468	-	(468)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>468</u>	<u>-</u>	<u>(468)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(468)</u>	<u>(468)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>468</u>	<u>468</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (468)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (468)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Corrections 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

Statement B-5

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	55,000	81,592	83,183	1,591
Investment income	-	-	-	-
Miscellaneous	5,000	1,399	399	(1,000)
<i>Total revenues</i>	<u>60,000</u>	<u>82,991</u>	<u>83,582</u>	<u>591</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	37,500	82,901	82,900	1
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>37,500</u>	<u>82,901</u>	<u>82,900</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>22,500</u>	<u>90</u>	<u>682</u>	<u>592</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(22,500)	(90)	-	90
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(22,500)</u>	<u>(90)</u>	<u>-</u>	<u>90</u>
<i>Net change in fund balance</i>	-	-	682	682
<i>Fund balance - beginning of year</i>	-	-	99,837	99,837
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,519</u>	<u>\$ 100,519</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 682
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 682</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Community Services Center 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

Statement B-6

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	121,000	121,000	-	(121,000)
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>121,000</u>	<u>121,000</u>	<u>-</u>	<u>(121,000)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	121,000	121,000	18,956	102,044
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>121,000</u>	<u>121,000</u>	<u>18,956</u>	<u>102,044</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(18,956)</u>	<u>(18,956)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(18,956)</u>	<u>(18,956)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - restatement</i>	<u>-</u>	<u>-</u>	<u>18,956</u>	<u>18,956</u>
<i>Fund balances - beginning, as restated</i>	<u>-</u>	<u>-</u>	<u>18,956</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,956)</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (18,956)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (18,956)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
County Clerk's 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

Statement B-7

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	20,000	20,000	27,650	7,650
Investment income	-	-	654	654
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>28,304</u>	<u>8,304</u>
<i>Expenditures:</i>				
Current:				
General government	20,000	41,000	27,925	13,075
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,000</u>	<u>41,000</u>	<u>27,925</u>	<u>13,075</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(20,000)</u>	<u>(41,000)</u>	<u>379</u>	<u>13,075</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	20,000	41,000	-	(41,000)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>20,000</u>	<u>41,000</u>	<u>-</u>	<u>(41,000)</u>
<i>Net change in fund balance</i>	-	-	379	379
<i>Fund balance - beginning of year</i>	-	-	58,573	58,573
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,952</u>	<u>\$ 58,952</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 379
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 379</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Misdemeanor Probation 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

Statement B-8

	Budgeted Amounts		Actual	Variances
	Original	Final		(Unfavorable) Favorable Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	55,000	55,000	55,951	951
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>55,000</u>	<u>55,000</u>	<u>55,951</u>	<u>951</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	55,000	55,000	49,312	5,688
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>55,000</u>	<u>55,000</u>	<u>49,312</u>	<u>5,688</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>6,639</u>	<u>6,639</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>6,639</u>	<u>6,639</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>25,698</u>	<u>25,698</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,337</u>	<u>\$ 32,337</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 6,639
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 6,639</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Traffic 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

Statement B-9

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	10,199	27,227	11,103	(16,124)
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,199</u>	<u>27,227</u>	<u>11,103</u>	<u>(16,124)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	10,199	27,227	15,618	11,609
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,199</u>	<u>27,227</u>	<u>15,618</u>	<u>11,609</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,515)</u>	<u>(4,515)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(4,515)</u>	<u>(4,515)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>14,610</u>	<u>14,610</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,095</u>	<u>\$ 10,095</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (4,515)
Adjustments to revenues for state operating grants				796
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (3,719)</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
Roosevelt County  
Milnesand Fire/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

Statement B-10

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	1,000	1,000	5,442	4,442
Investment income	-	-	-	-
Miscellaneous	-	-	1,486	1,486
<i>Total revenues</i>	<u>1,000</u>	<u>1,000</u>	<u>6,928</u>	<u>5,928</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	68,700	84,866	24,192	60,674
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>68,700</u>	<u>84,866</u>	<u>24,192</u>	<u>60,674</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(67,700)</u>	<u>(83,866)</u>	<u>(17,264)</u>	<u>66,602</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	67,700	83,866	-	(83,866)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>67,700</u>	<u>83,866</u>	<u>-</u>	<u>(83,866)</u>
<i>Net change in fund balance</i>	-	-	(17,264)	(17,264)
<i>Fund balance - beginning of year</i>	-	-	166,316	166,316
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,052</u>	<u>\$ 149,052</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (17,264)
Adjustments to revenues for miscellaneous				608
Adjustments to expenditures for public safety function accruals				(160)
Net change in fund balance (GAAP)				<u>\$ (16,816)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Milnesand 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

Statement B-11

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	147,964	147,964
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>147,964</u>	<u>147,964</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	117,000	117,000	34,719	82,281
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>117,000</u>	<u>117,000</u>	<u>34,719</u>	<u>82,281</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(117,000)</u>	<u>(117,000)</u>	<u>113,245</u>	<u>230,245</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	117,000	117,000	-	(117,000)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>117,000</u>	<u>117,000</u>	<u>-</u>	<u>(117,000)</u>
<i>Net change in fund balance</i>	-	-	113,245	113,245
<i>Fund balances - beginning of year</i>	-	-	357,127	357,127
<i>Fund balances - restatement</i>	-	-	(10,146)	(10,146)
<i>Fund balances - beginning, as restated</i>	-	-	346,981	346,981
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 460,226</u>	<u>\$ 460,226</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 113,245
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 113,245</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Milnesand 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

Statement B-12

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	7,100	7,100	7,366	266
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,100</u>	<u>7,100</u>	<u>7,366</u>	<u>266</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	7,100	7,100	7,100	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,100</u>	<u>7,100</u>	<u>7,100</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>266</u>	<u>266</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>266</u>	<u>266</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>762</u>	<u>762</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,028</u>	<u>\$ 1,028</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 266
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 266</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Arch Fire/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

Statement B-13

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	4,000	4,000	10,487	6,487
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	4,000	4,000	10,487	6,487
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	10,300	10,300	8,481	1,819
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	10,300	10,300	8,481	1,819
<i>Excess (deficiency) of revenues over expenditures</i>	(6,300)	(6,300)	2,006	8,306
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	6,300	6,300	-	(6,300)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	(600)	(600)
<i>Total other financing sources (uses)</i>	6,300	6,300	(600)	(6,900)
<i>Net change in fund balance</i>	-	-	1,406	1,406
<i>Fund balance - beginning of year</i>	-	-	24,977	24,977
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 26,383	\$ 26,383
Net change in fund balance (non-GAAP budgetary basis)				\$ 1,406
Adjustments to revenues for charges for services				455
Adjustments to expenditures for public safety function accruals				(168)
Net change in fund balance (GAAP)				\$ 1,693

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Arch 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

Statement B-14

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	49,324	49,324	49,324	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>49,324</u>	<u>49,324</u>	<u>49,324</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	39,058	112,811	90,478	22,333
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>39,058</u>	<u>112,811</u>	<u>90,478</u>	<u>22,333</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>10,266</u>	<u>(63,487)</u>	<u>(41,154)</u>	<u>22,333</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(10,266)	63,487	-	(63,487)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	600	600
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(10,266)</u>	<u>63,487</u>	<u>600</u>	<u>(62,887)</u>
<i>Net change in fund balance</i>	-	-	(40,554)	(40,554)
<i>Fund balance - beginning of year</i>	-	-	73,754	73,754
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,200</u>	<u>\$ 33,200</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (40,554)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (40,554)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Arch 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

Statement B-15

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	19,110	19,110	19,313	203
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>19,110</u>	<u>19,110</u>	<u>19,313</u>	<u>203</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	19,094	19,828	16,304	3,524
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>19,094</u>	<u>19,828</u>	<u>16,304</u>	<u>3,524</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>16</u>	<u>(718)</u>	<u>3,009</u>	<u>3,727</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(16)	718	-	(718)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(16)</u>	<u>718</u>	<u>-</u>	<u>(718)</u>
<i>Net change in fund balance</i>	-	-	3,009	3,009
<i>Fund balance - beginning of year</i>	-	-	14,132	14,132
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,141</u>	<u>\$ 17,141</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 3,009
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 3,009</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Reappraisal 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

Statement B-16

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	70,000	70,000	75,325	5,325
Investment income	-	-	3,603	3,603
Miscellaneous	-	-	1,013	1,013
<i>Total revenues</i>	<u>70,000</u>	<u>70,000</u>	<u>79,941</u>	<u>9,941</u>
<i>Expenditures:</i>				
Current:				
General government	57,178	150,678	117,947	32,731
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>57,178</u>	<u>150,678</u>	<u>117,947</u>	<u>32,731</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>12,822</u>	<u>(80,678)</u>	<u>(38,006)</u>	<u>42,672</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(12,822)	80,678	-	(80,678)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(12,822)</u>	<u>80,678</u>	<u>-</u>	<u>(80,678)</u>
<i>Net change in fund balance</i>	-	-	(38,006)	(38,006)
<i>Fund balances - beginning of year</i>	-	-	310,049	310,049
<i>Fund balances - restatement</i>	-	-	(1,691)	(1,691)
<i>Fund balances - beginning, as restated</i>	-	-	308,358	308,358
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270,352</u>	<u>\$ 270,352</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (38,006)
No adjustments to revenues				-
Adjustments to expenditures for general government function accruals				<u>(50)</u>
Net change in fund balance (GAAP)				<u>\$ (38,056)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Bond Acquisition Debt Service Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2015

Statement B-17

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</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 balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	308	308
<i>Fund balances - restatement</i>	-	-	(308)	(308)
<i>Fund balances - beginning, as restated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
Roosevelt County  
Detention Center Bond Debt Service Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2015

Statement B-18

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	155,000	155,000	-
Interest	-	101,555	99,555	2,000
<i>Total expenditures</i>	<u>-</u>	<u>256,555</u>	<u>254,555</u>	<u>2,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(256,555)</u>	<u>(254,555)</u>	<u>2,000</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	256,555	245,342	(11,213)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>256,555</u>	<u>245,342</u>	<u>(11,213)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(9,213)</u>	<u>(9,213)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,213</u>	<u>9,213</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (9,213)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (9,213)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Indoor Arena Debt Service Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2015

Statement B-19

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	51,167	46,667	4,500
Interest	-	64,138	68,333	(4,195)
<i>Total expenditures</i>	<u>-</u>	<u>115,305</u>	<u>115,000</u>	<u>305</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(115,305)</u>	<u>(115,000)</u>	<u>305</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	115,305	-	(115,305)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	115,305	115,305
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>115,305</u>	<u>115,305</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>305</u>	<u>305</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>138,537</u>	<u>138,537</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,842</u>	<u>\$ 138,842</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 305
No adjustments to revenues				-
Adjustments to expenditures for debt service				(4,806)
Net change in fund balance (GAAP)				<u>\$ (4,501)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
CDBG Grant 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

Statement B-20

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</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)	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Kenna Community Center 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

Statement B-21

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</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)	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	(5,008)	(5,008)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(5,008)</u>	<u>(5,008)</u>
<i>Net change in fund balance</i>	-	-	(5,008)	(5,008)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,008</u>	<u>5,008</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (5,008)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (5,008)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Courthouse Renovation Debt Service Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2015

Statement B-22

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	594	594
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>594</u>	<u>594</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	2,309,451	2,175,907	133,544
Debt service:				
Principal	-	64,917	57,000	7,917
Interest	-	65,660	56,758	8,902
<i>Total expenditures</i>	<u>-</u>	<u>2,440,028</u>	<u>2,289,665</u>	<u>150,363</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(2,440,028)</u>	<u>(2,289,071)</u>	<u>150,957</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(434,972)	-	434,972
Loan proceeds	-	2,875,000	2,875,000	-
Issuance costs	-	-	(23,413)	(23,413)
Transfers in	-	-	156,132	156,132
Transfers (out)	-	-	(565,549)	(565,549)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,440,028</u>	<u>2,442,170</u>	<u>2,142</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>153,099</u>	<u>153,099</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,099</u>	<u>\$ 153,099</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 153,099
No adjustments to revenues				-
Adjustments to expenditures for capital outlay				(20,526)
Net change in fund balance (GAAP)				<u>\$ 132,573</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Roosevelt County  
Magistrate Court Debt Services Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2015

Statement B-23

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	7,302	7,302
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>7,302</u>	<u>7,302</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	160,766	135,200	25,566
Interest	-	104,850	88,186	16,664
<i>Total expenditures</i>	<u>-</u>	<u>265,616</u>	<u>223,386</u>	<u>42,230</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(265,616)</u>	<u>(216,084)</u>	<u>49,532</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	265,616	-	(265,616)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	265,616	265,616
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>3,654,616</u>	<u>265,616</u>	<u>(3,389,000)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>3,389,000</u>	<u>49,532</u>	<u>(3,339,468)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,641,225</u>	<u>3,641,225</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,690,757</u>	<u>\$ 301,757</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 49,532
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 49,532</u>

The accompanying notes are an integral part of these financial statements

**SUPPORTING SCHEDULES**

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

Schedule III

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2015</u>
<b>James Polk Stone Community Bank</b>				
	FHLB Qtrly Call Step	4/25/2023	313382VW0	\$ 98,608
	FNMA Non Callable	4/11/2016	3135G0BA0	253,969
	FNMA Non Callable	4/11/2016	3135G0BA0	50,794
	FNMA Non Callable	9/28/2016	3135G0CM3	2,018,496
	FNMA Non Callable FR	12/21/2015	3135G0SB0	1,000,764
	Lea Cnty NM PSD #8 Eunice BQ	1/15/2016	521513BQ3	252,105
	UNM Gallup BQ GO	10/15/2017	914684DQ5	<u>205,300</u>
	<b>Total James Polk Stone Community Bank</b>			<u>3,880,036</u>
Name and location of safekeeper for above pledged collateral: Independent Bankersbank, Dallas, Texas 75356				
<b>Western Bank</b>				
	FHLMC GOLD E01425	8/1/2018	3128MMQ48	\$ 878,661
	FHLB	9/27/2032	313380NW3	1,446,300
	FHLB	12/28/2032	313381PH2	<u>1,867,000</u>
	<b>Total Western Bank</b>			<u>4,191,961</u>
Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank, Des Moines, Iowa 50309				
	<b>Total Pledged Collateral</b>			<u><u>\$ 8,071,997</u></u>

See independent auditors' report



**STATE OF NEW MEXICO**  
Roosevelt County  
Schedule of Deposit and Investment Accounts  
June 30, 2015

Bank Account Type/Name	James Polk Stone Bank	Western Bank	New Mexico Finance Authority	New MexiGrow LGIP	Totals
Checking	\$ 332,068	\$ -	\$ -	\$ -	\$ 332,068
Checking	2,562,250	-	-	-	2,562,250
Checking- Sheriff's Evidence					
Accounts	54	-	-	-	54
Checking	57,860	-	-	-	57,860
Checking - Magistrate Court					
Building Fund	-	3,393,668	-	-	3,393,668
RSEVLCTY 6	-	-	22,231	-	22,231
RSEVLCTY 6- Reserve	-	-	116,611	-	116,611
RSEVLCTY 7	-	-	42,349	-	42,349
RSEVLCTY 7- Reserve Funds					
Payable	-	-	254,740	-	254,740
RSEVLCTY 8	-	-	15,407	-	15,407
RSEVLCTY 8- Program Income	-	-	137,692	-	137,692
Operational Investment	-	-	-	687	687
Arch Fire Protection Investment	-	-	-	24	24
<b>Total</b>	<b>2,952,232</b>	<b>3,393,668</b>	<b>589,030</b>	<b>711</b>	<b>6,935,641</b>
Reconciling items	(539,291)	-	-	-	(539,291)
Reconciled balance	<u>\$ 2,412,941</u>	<u>\$ 3,393,668</u>	<u>\$ 589,030</u>	<u>\$ 711</u>	6,396,350
Petty cash					400
Less: investments per Exhibit A-1					(711)
Less: agency funds cash per Exhibit D-1					(105,394)
Less: restricted cash and cash equivalents per Exhibit A-1					<u>(589,030)</u>
Total unrestricted cash and cash equivalents per Exhibit A-1					<u>\$ 5,701,615</u>

See independent auditors' report

**STATE OF NEW MEXICO**  
Roosevelt County  
Reconciliation of Property Tax Rolls  
For the Year Ended June 30, 2015

Uncollected taxes, July 1, 2014	\$	465,540
Net taxes charged to treasurer for current year		7,578,509
Current year tax collections		(7,540,126)
Adjustments		(15,394)
		<u>488,529</u>
Uncollected taxes June 30, 2015	\$	<u>488,529</u>
Schedule of receivables - delinquent property tax by year		
2014	\$	382,772
2013		69,202
2012		12,885
2011		5,476
2010		2,877
2009		7,563
2008		1,723
2007		1,567
2006		1,450
2005		14
		<u>485,529</u>
Total	\$	<u>485,529</u>
<b>Reconciliation of undistributed taxes</b>		
Undistributed taxes July 1, 2014	\$	-
Current year collections		7,540,126
Current year collections distributed		(7,540,126)
Collections held for future periods		-
		<u>-</u>
Undistributed taxes June 30, 2015	\$	<u>-</u>
Property tax receivables are reported in the financial statements as follows:		
Statement of Net Position - Exhibit A-1	\$	218,078
Statement of Fiduciary Assets and Liabilities - Agency Funds - Exhibit D-1		270,451
		<u>488,529</u>
Total property taxes receivable	\$	<u>488,529</u>

See independent auditors' report

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

Schedule VI

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<i>Assets</i>				
Cash	\$ 6,953	\$ 4,026,429	\$ 3,927,988	\$ 105,394
Property taxes receivable	<u>279,657</u>	<u>3,880,495</u>	<u>3,889,701</u>	<u>270,451</u>
<i>Total assets</i>	<u><u>\$ 286,610</u></u>	<u><u>\$ 7,906,924</u></u>	<u><u>\$ 7,817,689</u></u>	<u><u>\$ 375,845</u></u>
 <i>Liabilities</i>				
Deposits held in trust	\$ 6,953	\$ 4,026,429	\$ 3,927,988	\$ 105,394
Due to other taxing entities	<u>279,657</u>	<u>3,880,495</u>	<u>3,889,701</u>	<u>270,451</u>
<i>Total liabilities</i>	<u><u>\$ 286,610</u></u>	<u><u>\$ 7,906,924</u></u>	<u><u>\$ 7,817,689</u></u>	<u><u>\$ 375,845</u></u>

See independent auditors' report

**STATE OF NEW MEXICO**  
Roosevelt County  
Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)  
For the Year Ended June 30, 2015

Prepared by: Roosevelt County

Title: County Manager

Date: August 12, 2015

<u>RFP#/ RFB#</u>	<u>Type of Procurement</u>	<u>Awarded Vendor</u>	<u>\$ Amount of Awarded Contract</u>	<u>\$ Amount of Amended Contract</u>
2015-001	Bid	Stephen Construction	\$19.80/ton	N/A
2015-001	Bid			N/A
2015-001	Bid			N/A
2015-005	RFP	Doerr & Knudson	\$165/hr	N/A
2015-005	RFP			N/A
2015-005	RFP			N/A

See independent auditor's report

Name and Physical Address per the Procurement Documentation, of <u>ALL</u> Vendors that Responded	In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor In-State and Chose Veteran's Preference (Y or N) For	Brief Description of the Scope of Work
Stephen Construction, P.O. Box 192, Texco, NM. 88135	Y	N	Chip Seal aggregate
Construction Inc., 3003 Boyd Dr., Carlsbad, NM. 88220	Y	N	Chip Seal aggregate
K. Barnett & Sons Inc., P.O. Box 960, Clovis, NM. 88102	Y	N	Chip Seal aggregate
Doerr & Knudson, 212 West First, Portales, NM. 88130	Y	Y	Legal services
Nance Pato & Stout LLC, P.O. Box 772, Socorro, NM. 87801	Y	N	Legal services
Chandler Law Firm, 613 North Main, Clovis, NM. 88100	Y	N	Legal services

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**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***

**INDEPENDENT AUDITORS' REPORT**

Timothy Keller  
New Mexico State Auditor  
The Office of Management and Budget  
The Roosevelt County Commissioners  
Roosevelt County  
Portales, New Mexico

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, each major fund, and the budgetary comparisons of the General Fund and major special revenue funds of Roosevelt County (the "County") as of and for the year ended June 30, 2015, and the related notes to the financial statements. We were also engaged to audit the County's Agency Fund. These financial statements 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 October 27, 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.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items FS 2015-001, FS 2015-006, FS 2015-007, FS 2015-009, FS 2015-010, and FS 2015-014 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item FS 2015-011 to be a significant deficiency.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items FS 2015-002, FS 2015-003, FS 2015-004, FS 2015-005, FS 2015-008, FS 2015-012, and FS 2015-013.

## **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 responses. 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 result 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  
October 27, 2015

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**STATE OF NEW MEXICO**  
Roosevelt County  
Schedule of Findings and Responses  
June 30, 2015

**Section I – Summary of Auditors’ 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? | Yes        |
| c. Noncompliance material to the financial statements noted?                     | None Noted |

**Section II – Financial Statement Findings**

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

*Condition:* The County does not have a comprehensive documented internal control structure. We noted the following areas in which the County does not have sufficient key internal controls in place:

- Lack of internal controls over cash receipts. There is no formal policy or procedure followed by decentralized locations to ensure that cash collected at these locations is being received by the Treasurer.
- Lack of segregation of duties in the disbursements cycle. The County Treasurer has the ability to sign checks and process the payment once invoices are received. In addition, the County does not review the vendor master file for changes and reasonableness.
- During our testwork over cash disbursements we noted one instance in five tested, or \$2,957.86 out of a total \$28,257.94 tested, that the invoice was not signed and dated by management certifying approval of items received and payment to be processed.
- There is no management review over disbursements for credit card purchases. Exception reports for Wright Express Fleet cards are not being utilized.
- Lack of segregation of duties in the payroll cycle. The Human Resource Manager has the ability to perform hiring procedures, set up new employees and related benefits, processes payroll, print manual checks, and authorize direct deposits.
- During our testwork over payroll, we noted in 6 instances out of 6 tested, totaling \$7,244.32, the County Manager sign off was missing on the “Base Pay Report”. In addition, we noted that in 2 instances out of 6 tested totaling \$1,437.36 that time cards could not be located for auditor inspection.
- Lack of documentation and proper review of journal entries.
- Management has not established practices for the identification of risks affecting the entity as well as appropriate fraud risk assessment and monitoring processes.
- Management does not monitor controls over financial reporting through ongoing monitoring, independent evaluations, and remediation of identified deficiencies.

*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 elements of internal control.

*Effect:* Because the internal control structure is inadequate and not documented, management and staff are unsure about what procedures and processes to follow to properly safeguard assets. Adequate controls are not in place to safeguard assets and prevent or detect intentional or unintentional misstatements of accounting information.

*Cause:* For the fiscal year 2015 management did not have a documented internal control policy in place for employees to follow and for management and the board to monitor compliance with.

*Auditors’ Recommendations:* The County should update its documented comprehensive internal control structure and ensure that it is followed. Management should follow and ensure that all staff follows the County’s documented internal control procedures. The body charged with governance should provide effective oversight of the internal control and financial reporting processes.

*Agency’s Response:* Between the months of August and October 2014, there was a 100% turnover in County Administration. A newly elected Sheriff, Assessor, and newly appointed Treasurer assumed office Jan. 1, 2015. The Financial Specialist position was vacant from November 2014 through June 2015, thus the County Manager, Human Resources, and Treasurer assumed the payables functions.

On point 1, above, The Treasurer’s Office will use a Cash Handling procedure booklet and A Depository Form that describes all cash handling procedures. This new procedure will be trained on and implemented by Nov. 20, 2015. The Treasurer is listed as the maintain point of contract for each County bank account. Formal cash receipt policies have been implemented at decentralized locations including the Detention Center.

**Section II – Financial Statement Findings (continued)**

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

On point 2, above, this issue has been resolved as the County hired a Financial Specialist in June 2015. This individual is now processing AP, therefore duties have been adequately segregated in the disbursement cycle. County Administration will review the vendor master file bi-annually starting December 2015.

On point 3, above, The County has implemented a process for FY 16 and forward, requiring department or elected official signed approval on invoices that are not related to a purchase order or a current contract. Each payment will have a signed and dated label that will authorize Accounts Payable to issue payment for that invoice.

On point 4, above, The County is now reviewing credit card purchases in a stricter manner. Also department heads are now required to provide Accounts Payable with an approved and signed purchase card log that summarizes that department's transactions. In addition the Finance office reviews each transaction to make sure it is in compliance with the State and County's purchasing policy, the Financial Specialist will sign off on the credit card logs. As it relates to the County's fleet cards each month the Finance Office sends each department their respective portion of the bill. After the bill is received by the department head they review each gas transaction and respond by providing a signed requisition authorizing payment of the department's portion. The Financial Specialist will review the Wright Express Fleet card report.

On point 5, above, "Lack of segregation of duties in the payroll cycle. The Human Resource Manager has the ability to perform hiring procedures, set up new employees and related benefits, processes payroll, print manual checks, and authorize direct deposits:" corrective action has been taken. Check-writing access was previously removed from the HR Administrator's access in InCode, and the Treasurer will assume responsibility for authorizing the direct deposit file on the banking side no later than December 31, 2015.

On point 6, above, "During our testwork over payroll, we noted in 6 instances out of 6 tested, totaling \$7,244.32, the County Manager sign off was missing on the "Base Pay Report". In addition, we noted that in 2 instances out of 6 tested totaling \$1,437.36 that time cards could not be located for auditor inspection:" Corrective action has been taken. The County Manager signs off on the payroll process at several steps along the way and a checklist for each payroll cycle has been created to ensure compliance (see attached). The payroll filing process was also revamped entirely in December 2014, to correct the issues of the missing timecards. Each individual regular payroll has its own file which includes all timecards from that pay period, where they were previously being filed in individual employee files. As well, the HR Administrator has undertaken to update the old HR SOP instructions with the corrected processes and will have them completed prior to December 31, 2015.

On point 7, above, all journal entries are documented on a master form for the month and submitted for review by the County Manager along with the supporting documentation. This was implemented for FY16.

On point 8, above, "Management has not established practices for the identification of risks affecting the entity as well as appropriate fraud risk assessment and monitoring processes:" corrective action is planned to begin November 4, 2015 with the first meeting of the Roosevelt County Safety Committee. One member of each department and office will be in attendance for monthly meetings which include review of all accidents and reportable incidents during the prior time period. This Committee will also be responsible for making recommendations to the County Manager and Board of Commissioners on matters regarding Risk Management and Loss Prevention.

On point 9, above, corrective action was taken in November 2014 as department heads and elected officials are sent monthly budget reports to review. The Financial Specialist thoroughly reviews the balance sheet, operating statements, and the general ledger detail as part of the normal monthly closing process. The County Manager reviews all budget reports county-wide monthly additionally.

**Section II – Financial Statement Findings (continued)**

**FS 2015-002 Inadequate Documentation for Travel and Per Diem Expenditures – Finding that does not rise to the level of a significant deficiency**

*Condition:* The County does not have adequate internal controls over travel and per diem expenditures.

- In one out of five instances tested, the County did not have sufficient documentation for payment totaling \$163.37.
- In addition, in the same item above we noted the employee exceeded the \$30/day limit.

*Criteria:* Each County shall establish and implement written policies and procedures for travel and training. Travel policies and procedures shall be in compliance with the Per Diem and Mileage Act, Section 2.42.2, NMSA 1978, and Department of Finance and Administration (DFA) regulations. Internal control structure is required to demonstrate the County's ability to record, process, summarize and report financial statement assertions of existence and occurrence.

*Effect:* Unauthorized travel and per diem expenditures may be processed and paid without proper approval and rate calculation. Noncompliance with statutes may subject officials and employees to punishment as defined by state statutes.

*Cause:* The County did not maintain policies and procedures to ensure that documentation is properly reviewed to ensure compliance with State Statutes.

*Auditors' Recommendation:* We recommend the County review all supporting documentation and retain all documents to ensure compliance with 2.42.2 NMSA. The policy should be clear, written, and communicated to all to whom it applies and enforced uniformly.

*Agency Response:* The County Administration has extensively informed employees about the per diem limits and educated all employees and supervisors on the County Policy and State Statutes. In January 2015 the County Manager began strictly enforcing this policy with the Financial Specialist closely examining all travel reimbursements and P-Card expenditures including all the supporting documentation. In addition, the County has required reimbursement from employees that have exceeded the per diem limit. The County utilizes a P card system, thus expenditures are based upon actuals expenses incurred limited to County Policy rates, which are equal to or less than State Per Diem Rates.

**Section II – Financial Statement Findings (continued)**

**FS 2015-003 Procurement Code – Bids – Other Noncompliance**

*Condition:* During our procurement testwork, we noted that proper procurement procedures were not implemented for a purchase totaling \$174,574. In addition, it was noted that 1 out of the 5 bids tested did not have documentation for the non-awarded vendors. Only documentation maintained was for the vendor that was awarded the bid.

*Criteria:* According to NMSA 13-1-103 (A), an invitation for bids shall be issued and shall include the specification for services, construction or items of tangible personal property to be procured, all contractual terms and conditions applicable to the procurement, the locations where bids are to be received, the date, time and place of the bid opening and the requirements for complying with any applicable in-state preference provisions as provided by law. In addition, in cases where the government agency under audit purchases more than \$500,000 annually, the purchasing office shall promulgated regulations regarding maintenance of bidders' lists, procedures for determining the responsibility of bidders, the handling of sealed bids, the public opening of sealed bids, and procedures for determining the lowest responsible bidder.

*Effect:* Proper documentation can not be reviewed to ensure the County has properly followed all procurement requirements. In addition, the County could possibly be expending more resources than necessary had a proper bid procedure taken place.

*Cause:* The County does not have the appropriate controls in place to verify that all necessary information for the bids is properly completed and that the bids are properly awarded.

*Auditors' Recommendation:* We recommend the County implement a system of internal controls in order to verify that bid files are complete and are properly awarded.

*Agency's Response:* There was an active contract on file for the above referenced purchase from Trinity Services Group for food services at the Roosevelt County Detention Center and was secured through an RFP process in March 2010. The County Manager obtained the Certified Procurement Officer designation in June 2015. The Financial Specialist will attend the Procurement Officer training in December 2015. All procurement files are complete as required by County Purchasing Policy and State Statute effective June 2015.

**FS 2015-004 Personal Use of County Vehicle – Other Noncompliance**

*Condition:* The County does not record a fringe benefit for personal use of vehicles on employees' W-2 forms, which results in annual underreporting of employee income and tax liability.

*Criteria:* Per Internal Revenue Regulation 1.61-21, Taxation of Fringe Benefits, the Internal Revenue Code requires that any personal use of a County vehicle be reported on the employee's W-2 form unless it is a qualified vehicle or employee. To be a qualified vehicle, it must be a vehicle modified for specific use or the employee must have arrest powers and the right to be armed.

*Effect:* The County is not complying with the IRS regulations regarding personal use of a company vehicle. This could result in possible fines or other penalties from the IRS.

*Cause:* The County allows multiple employees to drive County vehicles to and from home daily and does not include personal use as a fringe benefit on their W-2 forms.

*Auditors' Recommendation:* The County needs to develop a policy and procedure regarding the personal use of vehicles. The policy needs to address the method to value personal use, the means to add the personal use to the employee's reported income, and forbid any personal use other than commuting.

**Section II – Financial Statement Findings (continued)**

**FS 2015-004 Personal Use of County Vehicle – Other Noncompliance (continued)**

*Agency Response:* Corrective action was taken effective July 1, 2015. By direction of the County Manager to the Human Resource Administrator, all employees who have access to a County vehicle, which includes personal use, have signed the attached Memorandum to be included in their permanent employee file.

All affected employees are allocated the \$3/day IRS-recommended amount for fringe benefit taxation. As well, part of the HR SOP revision in progress includes the notation that these forms should be redistributed and signed annually, alongside the consent for information release required from all County drivers, as well as updated W-4 forms.

**FS 2015-005 Volunteer Firefighter – Other Noncompliance**

*Condition:* During our testwork, it was noted that volunteer firefighters are reimbursed by the County for emergency medical transportation to the hospital, but they are not included in the County payroll nor are they considered employees of the County.

*Criteria:* Per State Audit Rule Section 2.2.2.10 H (2)(b) County “volunteer firefighters” who are reimbursed when they provide firefighting services on State or Federal land have been determined by the IRS to be employees of the County.

*Effect:* County payroll expenditures for Social Security and Medicare may be understated. In addition, the County has not complied with IRS withholding and payroll tax regulations and may be required to submit payment for the unpaid taxes, and be subject to penalties for the late payments.

*Cause:* County was not aware of this statute that they needed to be included in the payroll if they were reimbursed by the County for any firefighting services they provided. Nor did they deduct the correct deductions from the payment as a result.

*Auditors’ Recommendations:* We recommend paying all volunteer firefighter through payroll and subject the wages to required payroll taxes.

*Agency’s Response:* Corrective action in progress: HR Administrator has notified all affected fire departments and has requested updated roster information prior to November 30, 2015. Effective Jan. 1, 2016, all volunteer firefighters will be reimbursed by the County through County payroll only, whether for Fire or EMS.



**Section II – Financial Statement Findings (continued)**

**FS 2015-006 Preparation of Accounts Payable – Material Weakness**

*Condition:* During our performance of testwork over subsequent disbursements related to the audit procedures performed over accounts payable, we noted that the County incorrectly excluded fifteen payable items totaling \$39,295.

*Criteria:* According to the American Institute of Certified Public, AU-C Section 265, a system of internal control over financial reporting does not stop at the general ledger. Well-designed systems include controls over financial statement preparation, including GAAP-Basis accruals, and any footnote disclosures. Generally Accepted Accounting Principles (GAAP) state that expense recognition is recognized in the period in which the transaction is incurred.

*Effect:* The County's accounts payable balance was understated at year end.

*Cause:* The County created a listing of accounts payable at June 30, 2015 and left off fifteen items that should have been including in that listing. All of the items were partial accruals in which part of the invoice was for services performed in June and part of the invoice was for services performed in July. The County overlooked these partial accruals in the preparation of their accounts payable.

*Auditors' Recommendation:* We recommend that the County double check their listing of accounts payable and subsequent disbursements in order to verify that all accounts payable items are included in the year end balance.

*Agency's Response:* The Financial Specialist started June 22, 2015 and was not thoroughly oriented nor trained to this new audit. The County will implement a better process for putting together a list of invoices that will reflect what should be accounts payable at year end. For example, invoices and bills received by the County after year end will be inspected to make sure that they should not be included in Accounts Payable. County Manager will provide final oversight to this process for FY16.

**FS 2015-007 Bank Reconciliations and recording of cash – Material Weakness**

*Condition:* The County has not been reconciling their bank to their general ledger. In addition, bank reconciliations are not being reviewed by another individual than who has prepared them. The County's financial statements required a prior period restatement in the amount of (\$239,954) due to the lack of reconciliation and internal controls over cash. In addition, an amount of \$46,943 is unreconciled and has been included in agency cash.

*Criteria:* Section 6-6-3 NMSA, 1978 discusses the need for the County to keep all the books, records and accounts in their respective office in the form prescribed by the local government division and conform to the rules and regulations adopted by the local government division. Good accounting practices require that bank reconciliations be performed monthly to ensure that cash receipts and cash disbursements are recorded in a correct and timely manner and that differences or errors be followed up and corrected in a timely manner.

*Effect:* Without reconciled bank statements, the County has no assurance that all revenues and disbursements have been recorded.

*Cause:* County employees' method of reconciling the bank statements did not reconcile the statements to the general ledger.

*Auditors' Recommendation:* The County's Accounting Policies and Procedures manual should contain explicit instructions for all accounting related matters, as well as detailed instructions on the storage of monthly schedules used for reconciliation purposes.

**Section II – Financial Statement Findings (continued)**

**FS 2015-007 Bank Reconciliations and recording of cash – Material Weakness**

*Agency Response:* As of July 1, 2015 bank reconciliations now tie to the general ledger. The Treasurer and Deputy Treasurer will split this duty to allow for adequate review by the other. Quarterly, the Department of Finance will complete the bank reconciliation process as part of their onsite review, which will in turn provide an additional layer of oversight.

**FS 2015-008 Fixed Asset Disposals – Other Noncompliance**

*Condition:* During our testwork over fixed assets, we noted that the County disposed of property and equipment during the year ended June 30, 2015. The County obtained approval from the Board, but failed to notify the State Auditor of the planned disposition for disposals of assets disposed in September 2014 totaling \$26,219.

*Criteria:* According to the 2015 State Audit Rule 2.2.2.10 T, at least 30 days prior to disposition of property, written notification of the official finding and proposed disposition duly sworn and subscribed under oath by each member of the authority approving the action must be sent to the State Auditor.

*Effect:* The County is not in compliance with State Statutes.

*Cause:* The County did not notify the State Auditor of asset dispositions which occurred in the beginning of the fiscal year under different County management.

*Auditors' Recommendations:* The County should update its procedures for fixed asset disposals to include the notification of the State Auditor at least thirty days prior to planned disposition of all property and equipment included on fixed asset inventories.

*Agency Response:* This finding was corrected and addressed as of December 2014 by the County Manager. There is a procedure in place to document all the necessary steps and notifications for any asset disposal. The documentation file will include a completed checklist and will be completed by the Financial Specialist to be approved by the County Manager.

**Section II – Financial Statement Findings (continued)**

**FS 2015-009 Capital Asset Cost and Related Accumulated Depreciation – Material Weakness**

*Condition:* During our testwork we noted that the accumulated depreciation for Machinery and Equipment was at a higher dollar amount than the cost of Machinery and Equipment. Further review of the County's capital asset listing indicate that adjustments to asset costs of \$2,104,646 and to asset accumulated depreciation of \$(1,126,840) were required to record the capital assets properly in the statement of net position.

*Criteria:* Section 2.20.1 of NMAC requires agencies to properly account for capital assets. The required capital asset accounting system is described in Section 2.20.1.8 of NMAC. Proper controls over the capital assets are described in Section 2.20.1.15 of NMAC. The requirement to follow the applicable statutes when disposing of capital assets is described in Section 2.20.1.18 of NMAC. An annual physical inventory of moveable chattels and equipment is required by NMSA 1978 Section 12-6-10.

*Effect:* Capital assets were understated in the prior year financial statements.

*Cause:* The County had insufficient internal controls to review their annual inventory count and verify that all assets are properly depreciating as of their "in service dates."

*Auditors' Recommendations:* The County should implement internal controls to verify that capital asset useful lives are input into the system correctly, perform an annual inventory count, and verify assets are properly depreciating.

*Agency's Response:* The Financial Specialist has implemented a more timely and efficient process for accounting for capital assets and related depreciation in September 2015. The Financial Specialist will be reviewing the capital asset process monthly. All transactions that exceed \$5,000 are inspected to determine their inclusion into Capital Assets. In addition, depreciation will be calculated and the accounting software will be updated on annual basis.

**FS 2015-010 Recording of Debt and Related Cash – Material Weakness**

*Condition:* During our audit, we noted that the County had not properly recorded the debt activity or the related cash account for a loan wired into the County's bank account on June 13, 2014. The County had not recorded this loan amount of \$3,641,225 in cash in their prior year financial statements.

*Criteria:* NMSA 6-10-2 discusses the duty of public officials to balance public money at the close of each business day. Generally accepted accounting principles also require that all activity be recorded when the transaction occurs.

*Effect:* The County had understated their cash balances, revenues and expenditures for the year. Beginning fund balance was understated for the 2015 fiscal year.

*Cause:* The County received the loan proceeds at the end of the 2014 year and did not record this revenue until July 2014.

*Auditors' Recommendation:* The County should implement internal controls to ensure that financial transactions are properly recorded.

*Agency Response:* This finding is a result of multiple internal control failures, all of which have been addressed by the County Treasurer and the County Manager. All debt activity will be coordinated and recorded through the County Manager.

**Section II – Financial Statement Findings (continued)**

**FS 2015-011 Accrued Compensation — Significant Deficiency**

*Condition:* During our testwork over accrued compensation we noted that 7 employees who were no longer employed by the County remained on the listing provided. The total amount of accrued compensation that remained on the report was approximately \$955 for inactive employees.

*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.

*Effect:* The County is liable for the balance that is presented as a liability in which could be overstated if employees remain on the listing that does not exist.

*Cause:* The County did not make the employees who terminated employment inactive in the system, therefore the system continued to accrue leave.

*Auditors' Recommendation:* We recommend the County implement a system of internal controls in order to verify that the employees who are entitled to accrued leave are in fact active employees of the County. Regular review of employee listings should be completed and inactive employees removed from payroll in a timely manner.

*Agency's Response:* As of July 2, 2015, all identified inactive employees with accrued compensation that remained on the report were corrected prior to the release of this report. The current process, which, again, will be included in the HR SOP update, is that the attached "Final Pay Sheet" is completed for every exiting employee. Part of the payroll process for their final check is the zeroing out of accrued leave balances. Effective October 30, 2015, the HR Administrator will include a printed copy of current leave balances in each payroll file for review and sign-off by the County Manager.

**FS 2015-012 Untimely Preparation and Submission of PERA Reports — Other Noncompliance/Finding that do not rise to the level of a significant deficiency**

*Condition:* During our reconciliation of PERA reports for the County, it was noted that PERA reports were submitted incorrectly and were now in suspension and could not be reconciled on a timely basis.

*Criteria:* Per PERA Employer Guide, section 2 Employer Reporting, both the Wage and Contribution Report (WCR) and the combined contributions are due to PERA no later than the fifth working day after the payday applicable to the payroll period being reported.

*Effect:* The County is subjected to assessed fees; payment for these fees is made with public funds.

*Cause:* Due to turnover in the payroll department, PERA reports were not submitted timely. The County has been working toward resolving this issue since November 2014.

*Auditors' Recommendation:* We recommend that the County submit all reports in a timely matter to avoid any late fees.

*Agency's Response:* As of July 1, 2015, the payroll payables process, including PERA reporting, was updated with the hiring of a Financial Specialist. HR has retained the reconciliation of PERA reporting, and reports are submitted with payroll payables to be paid every two weeks on the effective pay date. This update to the process will be included in the update of the HR SOP. Signatures are retained in payroll payables files with each master pay period file.

**Section II – Financial Statement Findings (continued)**

**FS 2015-013 Record Retention — Other Noncompliance**

*Condition:* During our fieldwork the County could not provide certain instances of requested documentation for auditor's inspection.

*Criteria:* Per NMSA 14-3-13, Protection of Records, the Administrator and every other custodian of public records shall carefully protect and preserve such records from deterioration, mutilation, loss or destruction and, whenever advisable, shall cause them to be properly repaired and renovated.

*Effect:* Testwork required to address the auditor's assessment of audit risk was not possible to complete fully due to records that were unavailable for inspection.

*Cause:* Due to turnover in management documentation has been misplaced or has gone missing

*Auditors' Recommendation:* We recommend that the County properly file and maintain all records. Maintenance of an electronic version of all documents is recommended as well, with regular backups to ensure that documents are maintained.

*Agency's Response:* There was complete turnover within County Administration and newly elected or appointed officials in the Treasurer, Assessor and Sheriff's offices, and filing systems were not thoroughly understood and transferred adequately. The County Manager has shared the State Statutes with each department head and elected official in regards to records retention for their respective areas. On July 7, 2015, the County Commission appointed the County Clerk and County Manager as the custodians of public records.

**Section II – Financial Statement Findings (continued)**

**FS 2015-014 Lack of Maintaining Property Tax Roll Schedule – Material Weakness**

*Condition:* The County was not able to obtain sufficient information from its property tax records to prepare and present the County Treasurer’s Property Tax Schedule, by taxing entity, for the year ended June 30, 2015.

*Criteria:* Per New Mexico State Auditor Rule 2.2.2.12D, the County must provide a Property Tax Schedule that reports, by type and agency, the amount of taxes levied, collected in the current year, collected to date, distributed in the current year, distributed to date, the amount determined to be uncollectible in the current year, the amount uncollectible to date, and the outstanding receivable balance at the end of the fiscal year. In addition, 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 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.

*Effect:* The County may not know the property taxes outstanding and still receivable for the past 10 years by individual agency, including the County’s portion. The County could be recording, reporting, and remitting the incorrect amounts to their applicable agencies, including the County. The collection and distribution process may not be as efficient as it could be if they had the required schedule. The County has not complied with the Audit Rule requirement to present this information.

*Cause:* Due to lack of controls and staff turnover, the County does not have procedures in place to report complete and accurate information with respect to the property tax maintenance report.

*Auditors’ Recommendations:* We recommend that the County implement a plan in order to capture this property tax data for their internal records and review and for inclusion in their annual financial report. As part of this process, review and verification procedures should be put in place to ensure the accuracy of the schedule on a periodic basis.

*Agency’s Response:* This finding is due to software limitations within the Treasurer’s office. The Treasurer’s Office will work directly with the Finance Specialists and auditors as well as the software company, Tyler Eagle, to implement proper internal controls over monthly reconciliations of receipts and disbursements. The Treasurer’s Office will also participate in training over the specific reports “Tax Maintenance Schedules” and “10 Year Tax Roll Schedule” to learn and better interpret the reports. This can be accomplished by the Treasurer’s Office by February 2016.

Beginning July 2015, the Treasurer’s Office began implementing proper internal controls to perform a monthly review of claim on cash to ensure no system errors have occurred and if any have, prompt action will be taken to correct them. This process will be closely monitored throughout fiscal year 2016.

**Section III – Prior Year Audit Findings**

FS 2014-001- Audit Report Submitted Late – Resolved

**STATE OF NEW MEXICO**

Roosevelt County

Other Disclosures

June 30, 2015

**OTHER DISCLOSURES**

**Exit Conference**

An exit conference was held on October 27, 2015. In attendance were the following:

**Representing Roosevelt County:**

Amber Hamilton, County Manager

Rick Leal, County Commissioner

Layle Sanchez, County Treasurer

George Beggs, County Assessor

Stevin Floyd, Chief Deputy Assessor

Becky White, Human Resources Director

Jose Guzman, Financial Specialist

Michael Steininger, CMO, Special Director of State of New Mexico, DFA/LGD

**Representing Accounting & Consulting Group, LLP:**

Robert Cordova, CPA, Audit Partner

Zoë Vergas, CPA, Audit Staff

**Auditor Prepared Financial Statements**

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