

**STATE OF NEW MEXICO
SIERRA COUNTY
FINANCIAL STATEMENT
WITH INDEPENDENT AUDITOR'S
REPORT THEREON
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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INTRODUCTORY SECTION

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SIERRA COUNTY
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STATE OF NEW MEXICO
SIERRA COUNTY
OFFICIAL ROSTER
JUNE 30, 2015

Name	Title
Elected Officials	
Kenneth Lyon	Chairman
Frances Luna	Vice-Chairman
Sherry Fletcher	Commissioner
Administrative Officials	
Bruce Swingle	County Manager
Teresa Ragsdale	Finance Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Timothy Keller
New Mexico State Auditor
Board of Commissioners
Sierra County
Truth or Consequences, New Mexico

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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.

Opinions

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

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require the Schedule of the Proportionate Share of the Net Pension Liability on pages 130-131, the Schedule of Contributions on pages 132-133 and the notes to the required supplementary information page 133 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 the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on Sierra County's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of federal awards as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the other schedules required by Section 2.2.2.NMAC] are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of federal awards and other schedules required by Section 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures and other schedules required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2015, on our consideration of Sierra County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement 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 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 Sierra County's internal control over financial reporting and compliance.

Harshwal & Company LLP
Certified Public Accountants

Harshwal & Company LLP

Albuquerque, New Mexico
December 31, 2015

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current:			
Cash and investments	\$ 8,118,222	\$ 67,203	\$ 8,185,425
Receivables, net	681,332	5,284	686,616
Due from other governments	24,005		24,005
Internal balances	(24,830)	24,830	
Prepaid expenses	<u>110,432</u>		<u>110,432</u>
Total current assets	<u>8,909,161</u>	<u>97,317</u>	<u>9,006,478</u>
Noncurrent assets:			
Capital assets, net	<u>20,459,611</u>	<u>36,920</u>	<u>20,496,531</u>
Total noncurrent assets	<u>20,459,611</u>	<u>36,920</u>	<u>20,496,531</u>
Total Assets	<u>29,368,772</u>	<u>134,237</u>	<u>29,503,009</u>
DEFERRED OUTFLOWS OF RESOURCES			
Employer contributions subsequent to the measurement date	<u>258,175</u>		<u>258,175</u>
Total deferred outflows of resources	<u>258,175</u>	<u>0</u>	<u>258,175</u>
LIABILITIES			
Current:			
Accounts payable	759,557	4,283	763,840
Accrued liabilities	273,373	1,548	274,921
Accrued interest	55,916		55,916
Current maturities of long-term debt	<u>553,295</u>		<u>553,295</u>
Total current liabilities	<u>1,642,141</u>	<u>5,831</u>	<u>1,647,972</u>
Noncurrent liabilities:			
Net pension liability	2,763,667		2,763,667
Estimated liability for landfill postclosure costs		673,363	673,363
Notes & Capital Leases payable	9,286,073		9,286,073
Compensated absences	<u>95,371</u>	<u>143</u>	<u>95,514</u>
Total noncurrent liabilities	<u>12,145,111</u>	<u>673,506</u>	<u>12,818,617</u>
Total liabilities	<u>13,787,252</u>	<u>679,337</u>	<u>14,466,589</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	1,110,841		1,110,841
Changes of assumptions	58,097		58,097
Investment experience	<u>1,067,692</u>		<u>1,067,692</u>
Total deferred inflows of resources	<u>2,236,630</u>	<u>0</u>	<u>2,236,630</u>

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
NET POSITION			
Net Investment in capital assets	10,620,243	36,920	10,657,163
Restricted for:			
Debt service	417,358		417,358
Other purposes	3,051,538		3,051,538
Unrestricted	<u>(486,074)</u>	<u>(582,020)</u>	<u>(1,068,094)</u>
Total Net Position	<u>13,603,065</u>	<u>(545,100)</u>	<u>13,057,965</u>
Total Net Position and Liabilities	<u>\$ 29,626,947</u>	<u>\$ 134,237</u>	<u>\$ 29,761,184</u>

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
General government	\$ 2,677,900	\$ 685,150	\$ 504,703	\$
Public safety	8,058,390	467,299	3,996,326	6,561
Highways and streets	1,813,591	156,319	227,692	320,233
Health and welfare	1,346,664	1,344	15,648	
Culture and recreation	56,458			
Unallocated interest expense	<u>318,430</u>			
Total governmental activities	<u>14,271,433</u>	<u>1,310,112</u>	<u>4,744,369</u>	<u>326,794</u>
Business-type Activities:				
Landfill	<u>(122,979)</u>	<u>15,677</u>		
Total business type activities	<u>(122,979)</u>	<u>15,677</u>	<u>0</u>	<u>0</u>
Total	<u>\$14,148,454</u>	<u>\$ 1,325,789</u>	<u>\$ 4,744,369</u>	<u>\$ 326,794</u>

General Revenues:

- Taxes:
 - Property taxes
 - Gross receipts taxes
 - Motor vehicle taxes
 - Gas taxes
 - Lodger's taxes
 - Payment in lieu of taxes
 - Interest and penalties on property taxes
 - Interest and investment earnings
 - Miscellaneous

 Total General Revenues

Change in net position

Net position, beginning

Restatement for GASB 68

Net position - beginning, restated

Net position, ending

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Government Activities	Business Type Activities	Total
Primary Government			
General government	\$ (1,488,047)	\$	\$ (1,488,047)
Public safety	(3,588,204)		(3,588,204)
Highways and streets	(1,109,347)		(1,109,347)
Health and welfare	(1,329,672)		(1,329,672)
Culture and recreation	(56,458)		(56,458)
Unallocated interest expense	<u>(318,430)</u>	<u> </u>	<u>(318,430)</u>
Total governmental activities	<u>(7,890,158)</u>	<u>0</u>	<u>(7,890,158)</u>
Business-type Activities:			
Landfill	<u> </u>	<u>(107,302)</u>	<u>(107,302)</u>
Total business type activities	<u>0</u>	<u>(107,302)</u>	<u>(107,302)</u>
Total	<u>(7,890,158)</u>	<u>(107,302)</u>	<u>(7,997,460)</u>
General Revenues:			
Taxes:			
Property taxes	4,248,028		4,248,028
Gross receipts taxes	1,807,670	85,398	1,893,068
Motor vehicle taxes	57,363		57,363
Gas taxes	110,623		110,623
Lodger's taxes	5,417		5,417
Payment in lieu of taxes	1,203,606		1,203,606
Interest and penalties on property taxes	152,505		152,505
Interest and investment earnings	15,420	29	15,449
Miscellaneous	<u>60,975</u>	<u>7,500</u>	<u>68,475</u>
Total General Revenues	<u>7,661,607</u>	<u>92,927</u>	<u>7,754,534</u>
Change in net position	(228,551)	(14,375)	(242,926)
Net position, beginning	17,588,018	(530,725)	17,057,293
Restatement for GASB 68	<u>(3,756,402)</u>	<u>0</u>	<u>(3,756,402)</u>
Net position - beginning, restated	<u>13,831,616</u>	<u>(530,725)</u>	<u>13,300,891</u>
Net position, ending	<u>\$ 13,603,065</u>	<u>\$ (545,100)</u>	<u>\$ 13,057,965</u>

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Sierra Vista Hospital</u>	<u>Flood Commission Fema</u>	<u>Treasurer Fees</u>
ASSETS				
Cash and investments	\$ 243,649	\$ 4,627,353	\$	\$
Taxes receivable	359,112			
Interfund receivable	4,183,001	2,507	460,197	4,112,696
Interest receivable	4,681			
Due from other governments	24,005			
Prepaid Expenses	<u>110,432</u>			
Total assets	<u>4,924,880</u>	<u>4,629,860</u>	<u>460,197</u>	<u>4,112,696</u>
LIABILITIES				
Accounts payable	246,545	17,957	20,812	
Accrued expenses	221,980			
Interfund payable	<u>1,205,548</u>	<u>3,761,569</u>		<u>4,084,461</u>
Total Liabilities	<u>1,674,073</u>	<u>3,779,526</u>	<u>20,812</u>	<u>4,084,461</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>1,191,336</u>		<u>156,598</u>	
Total deferred inflows of resources	<u>1,191,336</u>	<u>0</u>	<u>156,598</u>	
FUND BALANCES				
Nonspendable				
Prepaid	110,432			
Restricted for:				
Capital projects		850,334		
Debt service				
Public safety			282,787	
Health and welfare				
Highways and streets				
Tax reappraisal				
Equipment purchases				28,235
Culture and recreation				
Unassigned	<u>1,949,039</u>			
Total fund balances	<u>2,059,471</u>	<u>850,334</u>	<u>282,787</u>	<u>28,235</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,924,880</u>	<u>\$ 4,629,860</u>	<u>\$ 460,197</u>	<u>\$ 4,112,696</u>

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

	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 3,247,220	\$ 8,118,222
Taxes receivable	317,539	676,651
Interfund receivable	766,596	9,524,997
Interest receivable		4,681
Due from other governments		24,005
Prepaid Expenses		<u>110,432</u>
Total assets	<u>4,331,355</u>	<u>18,458,988</u>
LIABILITIES		
Accounts payable	474,243	759,557
Accrued expenses	51,393	273,373
Interfund payable	<u>498,249</u>	<u>9,549,827</u>
Total Liabilities	<u>1,023,885</u>	<u>10,582,757</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	<u>170,831</u>	<u>1,518,765</u>
Total deferred inflows of resources	<u>170,831</u>	<u>1,518,765</u>
FUND BALANCES		
Nonspendable		
Prepaid		110,432
Restricted for:		
Capital projects		850,334
Debt service	417,358	417,358
Public safety	838,338	1,121,125
Health and welfare	1,072,650	1,072,650
Highways and streets	666,540	666,540
Tax reappraisal	73,664	73,664
Equipment purchases	79,439	107,674
Culture and recreation	9,885	9,885
Unassigned	<u>(21,235)</u>	<u>1,927,804</u>
Total fund balances	<u>3,136,639</u>	<u>6,357,466</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,331,355</u>	<u>\$ 18,458,988</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

	<u>Governmental fund</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	\$ 6,357,466
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	20,459,611
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property taxes subject to the 60 day availability period	251,326
Intergovernmental grants subject to the 60 day availability period	156,598
Long-term liabilities are not reported in the funds:	
Notes payable	(9,839,368)
Accrued interest payable	(55,916)
Compensated absences	(95,371)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and therefore, are not reported in the funds:	
Deferred outflows of resources related to employer contributions subsequent to the measurement date	258,175
Deferred inflows of resources related to pension	(1,125,789)
Certain liabilities, including net pension liability are not due and payable in the current period and, therefore, are not reported in the funds:	
Net pension liability	<u>(2,763,667)</u>
Net position - governmental activities	<u>\$ 13,603,065</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Sierra Vista Hospital	Flood Commission Fema	Treasurer fees
REVENUES:				
Property Taxes	\$ 4,439,649	\$	\$	\$ 650
Gross Receipts Tax	639,622			
Gas tax				
Lodgers tax				
Federal intergovernmental			2,090,795	
State intergovernmental	153,362			
Licenses and permits	246,768			
Small cities distribution	405,316			
Charges for services	519,593			6,947
Miscellaneous	<u>225,548</u>	<u>3,457</u>	<u> </u>	<u> </u>
<i>Total revenues</i>	<u>6,629,858</u>	<u>3,457</u>	<u>2,090,795</u>	<u>7,597</u>
EXPENDITURES:				
Current:				
General government	2,107,259			1,022
Public safety	2,387,398		2,090,795	
Highways and streets	861			
Health and welfare	3,117			
Culture and recreation	16,164			
Capital outlay		3,782,983		
Debt service - principal	317,551			
Debt service - interest	<u>317,894</u>	<u> </u>	<u> </u>	<u> </u>
<i>Total expenditures</i>	<u>5,150,244</u>	<u>3,782,983</u>	<u>2,090,795</u>	<u>1,022</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,479,614</u>	<u>(3,779,526)</u>	<u>0</u>	<u>6,575</u>
OTHER FINANCING SOURCES (USES):				
Transfer in	1,223,601	4,100,000	282,787	
Transfers (Out)	<u>(2,360,037)</u>	<u>(4,100,000)</u>	<u> </u>	<u> </u>
<i>Total other financing sources (uses)</i>	<u>(1,136,436)</u>	<u>0</u>	<u>282,787</u>	<u>0</u>
Net change in fund balance	343,178	(3,779,526)	282,787	6,575
Fund balance - beginning of year	<u>1,716,293</u>	<u>4,629,860</u>	<u>0</u>	<u>21,660</u>
Fund balance - end of year	<u>\$ 2,059,471</u>	<u>\$ 850,334</u>	<u>\$ 282,787</u>	<u>\$ 28,235</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES:		
Property Taxes	\$ 1,011,336	\$ 5,451,635
Gross Receipts Tax	1,168,048	1,807,670
Gas tax	110,623	110,623
Lodgers tax	5,417	5,417
Federal intergovernmental	1,082,888	3,173,683
State intergovernmental	1,338,803	1,492,165
Licenses and permits	156,553	403,321
Small cities distribution		405,316
Charges for services	437,613	964,153
Miscellaneous	<u>267,095</u>	<u>496,100</u>
<i>Total revenues</i>	<u>5,578,376</u>	<u>14,310,083</u>
EXPENDITURES:		
Current:		
General government	504,967	2,613,248
Public safety	2,998,730	7,476,923
Highways and streets	1,420,872	1,421,733
Health and welfare	1,229,782	1,232,899
Culture and recreation	2,372	18,536
Capital outlay		3,782,983
Debt service - principal	231,506	549,057
Debt service - interest	<u> </u>	<u>317,894</u>
<i>Total expenditures</i>	<u>6,388,229</u>	<u>17,413,273</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(809,853)</u>	<u>(3,103,190)</u>
OTHER FINANCING SOURCES (USES):		
Transfer in	1,538,180	7,144,568
Transfers (Out)	<u>(684,531)</u>	<u>(7,144,568)</u>
<i>Total other financing sources (uses)</i>	<u>853,649</u>	<u>0</u>
Net change in fund balance	43,796	(3,103,190)
Fund balance - beginning of year	<u>3,092,843</u>	<u>9,460,656</u>
Fund balance - end of year	<u>\$ 3,136,639</u>	<u>\$ 6,357,466</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Governmental fund</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances - governmental funds	\$ (3,103,190)
Governmental funds report capital outlay 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 outlay	3,782,983
Depreciation expense	(1,264,059)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change for the year.	
Property taxes subject to the 60 day availability period	(404,482)
Intergovernmental grants subject to the 60 day availability period	137,282
Bond and loan proceeds are reported as financing sources in the funds, In the Statement of Activities, however, issuing debt increased long term liabilities	549,057
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. This is the net change during the year.	(537)
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the funds. This is the net change during the year.	(50,727)
Governmental funds report County's 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	
Pension contributions	258,175
Pension expense	<u>(133,053)</u>
Change in net position - governmental activities	<u>\$ (228,551)</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
MAJOR FUNDS**

**STATE OF NEW MEXICO
SIERRA COUNTY**

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Property taxes	\$ 4,413,605	\$ 4,413,605	\$ 4,217,783	\$ (195,822)
Gross receipts tax	625,000	625,000	639,622	14,622
State intergovernmental	183,152	183,152	153,362	(29,790)
Licenses and permits	260,562	260,562	249,403	(11,159)
Small cities distribution	386,000	386,000	386,000	
Charges for services	946,011	946,011	519,593	(426,418)
Miscellaneous	214,080	214,080	233,081	19,001
<i>Total revenues</i>	7,028,410	7,028,410	6,398,844	(629,566)
EXPENDITURES:				
Current:				
General government	2,916,947	3,029,266	2,454,716	574,550
Public safety	2,745,907	2,764,530	2,382,115	382,415
Highways and streets	3,100	2,800	861	1,939
Health and welfare	4,100	4,400	3,117	1,283
Culture and recreation	31,775	31,250	16,164	15,086
Debt service - principal	239,000	238,500	238,497	3
<i>Total expenditures</i>	5,940,829	6,070,746	5,095,470	975,276
<i>Excess (deficiency) of revenues over (under) expenditures</i>	1,087,581	957,664	1,303,374	345,710
OTHER FINANCING SOURCES (USES):				
Transfers In	379,651	379,651	1,223,602	843,951
Transfers (Out)	(1,125,832)	(1,125,832)	(2,360,037)	(1,234,205)
<i>Total other financing sources (uses)</i>	(746,181)	(746,181)	(1,136,435)	(390,254)
Net changes in fund balances	341,400	211,483	166,939	(44,544)
Fund balances - beginning of year	1,898,745	1,579,247	2,660,821	1,081,574
Fund balances - end of year	\$ 2,240,145	\$ 1,790,730	2,827,760	\$ 1,037,030

STATE OF NEW MEXICO
SIERRA COUNTY

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Reconciliation of budgetary basis to GAAP basis:

Net changes in fund balances (Non-GAAP budgetary basis)	166,939
Revenue accruals (net)	231,014
Expenditure accruals (net)	(54,774)
Other financing sources (net)	<u> (1)</u>
Net changes in fund balances (GAAP basis)	<u>\$ 343,178</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

**FLOOD COMMISSION FEMA FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Federal intergovernmental	\$ 5,000,000	\$ 5,000,000	\$ 2,268,205	\$ (2,731,795)
<i>Total revenues</i>	<u>5,000,000</u>	<u>5,000,000</u>	<u>2,268,205</u>	<u>(2,731,795)</u>
EXPENDITURES:				
Current:				
Public safety	<u>5,000,000</u>	<u>5,000,000</u>	<u>2,090,795</u>	<u>2,909,205</u>
<i>Total expenditures</i>	<u>5,000,000</u>	<u>5,000,000</u>	<u>2,090,795</u>	<u>2,909,205</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>0</u>	<u>0</u>	<u>177,410</u>	<u>177,410</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>0</u>	<u>0</u>	<u>282,787</u>	<u>282,787</u>
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>282,787</u>	<u>282,787</u>
Net changes in fund balances	0	0	460,197	460,197
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>460,197</u>	<u>\$ 460,197</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			460,197	
Revenue accruals (net)			(177,410)	
Expenditure accruals (net)			0	
Other financing sources (net)			<u>0</u>	
Net changes in fund balances (GAAP basis)			<u>\$ 282,787</u>	

**STATE OF NEW MEXICO
SIERRA COUNTY**

TREASURER FEES FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Property taxes	\$	\$	\$ 650	\$ 650
Charges for services	5,000	5,000	6,947	1,947
<i>Total revenues</i>	5,000	5,000	7,597	2,597
EXPENDITURES:				
Current:				
General government	5,000	5,000	1,132	3,868
<i>Total expenditures</i>	5,000	5,000	1,132	3,868
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	6,465	6,465
Net changes in fund balances	0	0	6,465	6,465
Fund balances - beginning of year	0	0	21,770	21,770
Fund balances - end of year	\$ 0	\$ 0	28,235	\$ 28,235
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			6,465	
Revenue accruals (net)			0	
Expenditure accruals (net)			110	
Net changes in fund balances (GAAP basis)			\$ 6,575	

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

ASSETS	<u>Landfill</u>
Current assets:	
Cash	\$ 67,203
Interfund receivable	24,830
Taxes receivable	<u>5,284</u>
Total current assets	<u>97,317</u>
Capital assets:	
Property, plant and equipment	342,634
Less accumulated depreciation	<u>(305,714)</u>
Total capital assets	<u>36,920</u>
Total assets	<u>134,237</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	4,283
Accrued expenses	<u>1,548</u>
Total current liabilities	<u>5,831</u>
Long-term liabilities:	
Estimated liability for landfill postclosure costs	673,363
Compensated absences	<u>143</u>
Total liabilities	<u>679,337</u>
 NET POSITION	
Net Investment in capital assets	36,920
Unrestricted	<u>(582,020)</u>
Total Net position	<u>(545,100)</u>
Total Net position and liabilities	<u>\$ 134,237</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Landfill</u>
<i>OPERATING REVENUES:</i>	
Charges for services	\$ <u>15,677</u>
<i>Total Operating revenues</i>	<u>15,677</u>
<i>OPERATING EXPENSES:</i>	
Personnel	37,473
Operating	44,557
Depreciation	<u>40,949</u>
<i>Total operating expenses</i>	<u>122,979</u>
<i>Operating income (loss)</i>	<u>(107,302)</u>
<i>NON-OPERATING REVENUES (EXPENSES):</i>	
Taxes GRT	85,398
Miscellaneous	<u>7,529</u>
<i>Total non-operating revenues (expenses)</i>	<u>92,927</u>
Change in net position	(14,375)
Total net position, beginning of year	<u>(530,725)</u>
Total net position, end of year	<u><u>\$ (545,100)</u></u>

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

	<u>Landfill</u>
<i>Cash flows from operating activities:</i>	
Cash received from customers and grantors	\$ 23,273
Cash payments to Suppliers	(72,134)
Cash payments to employees	<u>(36,537)</u>
<i>Net cash provided (used) by operating activities</i>	<u>(85,398)</u>
<i>Cash flows from non-capital and related financing activities:</i>	
Dedicated gross receipts	85,398
Miscellaneous revenues	<u>7,529</u>
<i>Net cash (used) provided by noncapital financing activities</i>	<u>92,927</u>
<i>Net change in cash</i>	7,529
<i>Cash and cash equivalents, beginning of year</i>	<u>59,674</u>
<i>Cash and cash equivalents, end of year</i>	<u><u>\$ 67,203</u></u>
<i>Reconciliation of operating loss to cash provided by operating activities:</i>	
Operating income (loss)	\$ (107,302)
<i>Adjustments to reconcile operating income to net cash flows:</i>	
Depreciation expense	40,949
Changes in assets and liabilities:	
Due from other funds	(24,830)
Accounts receivable	7,596
Accounts payable	(44)
Estimated landfill closure costs	(2,703)
Accrued expenses	<u>936</u>
<i>Net cash provided (used) by operating activities</i>	<u><u>\$ (85,398)</u></u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

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

	<u>Agency Fund</u>
ASSETS	
Cash and investments	\$ 129,350
Receivables	<u>474,022</u>
Total assets	<u>603,372</u>
LIABILITIES	
Due to other	<u>603,372</u>
Total liabilities	<u>\$ 603,372</u>

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

Nature of Entity: The Sierra County a political subdivision of the State of New Mexico operates under the commissioner-manager form of government. The County provides the following authorized services: public safety, highways and streets, sanitation, health and welfare, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for State and Local Governments, through its pronouncements (Statements and Interpretations). The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

B. Financial Reporting Entity

The County's basic financial statements include the accounts of all County operations. The criteria for include organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Based on the aforementioned criteria, the County has no component units.

C. Basis of Presentation

Governmental-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

C. Basis of Presentation - (Cont'd)

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the County and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are not allocated, but are presented as separate functions.

Program revenues include charges paid by recipients of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational and capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which a program or business segment is self-financing or draws from the general revenues of the County.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category of type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund: the General Fund is the primary operating fund of the County and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Project Fund: The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

C. Basis of Presentation - (Cont'd)

Debt Service Fund: The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principle on the general obligation bonds of the County other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the County's general obligation bonds.

Proprietary Fund

Enterprise Fund: Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds (Note included in government-wide statements)

Agency Funds: Agency funds account for assets held by the County in a purely custodial capacity. The reporting entity includes four agency funds. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The Agency funds area follows:

Property Tax Fund: to account for the undistributed property taxes both received and yet to be received which are to be distributed to the various taxing entities at a later date.

Prisoners Fund: to account for the deposits and expenditures from prisoners' private funds, used to buy personal items at the commissary.

Cell Phone Zoning: to account for the deposits required on cell phone towers, to be used for repairs.

Spaceport: to account for gross receipts taxes collected and remitted to the Spaceport authority.

Major Funds

These funds classified as major are as follows:

General: accounts for all activities except those accounted for in other funds.

Sierra Vista Hospital: to account for the revenues and expenditures associated with the renovation and new construction at the County hospital, and is a Capital Project Fund. Authorization is ordinance authorizing the loan and construction.

FEMA Flood: To account for the federal grants to alleviate and/or prevent flood damage in the County. Authorization is the Board of County Commissioners.

Treasurers Fee: To account for the fees collected by the County Treasurer to be used exclusively for the purchase of capital assets for the Treasurer's Office, as authorized by commission action and New Mexico Statutes.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

C. Basis of Presentation - (Cont'd)

Proprietary:

Landfill: accounts for activities associated with refuse disposal.

Non-major Funds

Fund description for all funds are included in the “Other Supplementary Information” section of this report.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item “b” below:

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets, deferred outflows of resources, liabilities and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or non-current) associated with their activities are reported. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from non exchange transactions are recognized when the earnings process is complete. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

D. Measurement Focus and Basis of Accounting - (Cont'd)

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Derived tax revenues are recognized when the exchange takes place, and grants are recognized when all eligibility requirements are met.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Revenues that are not available are recorded as deferred outflows of resources. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported when due.

All proprietary funds and fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

E. Budgets

Budgets for the General, Special Revenue, Capital Projects, and Enterprise Funds are prepared by management and approved by the local governing body and the New Mexico Department of Finance and Administration. The Sierra Vista Hospital debt service fund is funded through transfers of general fund revenues, and is budgeted as a part of the general fund.

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

Actual expenditures may not exceed the budget on a by fund basis. Budgets may be amended in two ways. If a budget transfer is necessary within a fund, this may be accomplished with only local Commission approval. If a transfer between “funds” or a budget increase is required, approval must also be obtained from the Department of Finance and Administration.

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

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

F. Cash and Investments

For the purpose of the Statement of Net Position, “cash and investments” includes all demand, savings accounts, and certificates of deposits of the County. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of six months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price.

State statutes authorize the government to invest in interest bearing accounts with local financial institutions, direct obligations of the U.S. Treasury or New Mexico political subdivisions, and the State Treasurer’s investment pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owner of such public monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the County. The pledged securities remain in the name of the financial institution. Premiums (discounts) on investments are amortized by the interest method, or methods approximating the interest method.

G. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term inter-fund loans are reported as “inter-fund receivables or payables”. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

H. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and periodic aging of accounts receivable. Major receivable balances for the governmental activities include gross receipts and use taxes, franchise taxes, and grants. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as gross receipts tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

I. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

The County has retroactively reported all infrastructure assets. The County has always maintained a capitalization policy which included infrastructure assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20 - 50 years
Improvements	10 - 50 years
Machinery and Equipment	03 - 10 years
Infrastructure	25 - 75 years
Software and Library	05 - 50 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements. Assets acquired with an original cost of \$5,000 or more are capitalized. Construction period interest is capitalized in proprietary funds.

J. Deferred outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period, and so will be recognized as an outflow or resource (expenses/expenditures) until then. The Government had pension related deferred outflows of resources items that qualify for reporting in this category.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

J. Deferred outflows/Inflows of Resources (Cont'd)

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. The Government has three types of items, one of which arises under the full accrual basis of accounting and all of which arise under the modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, the item unavailable revenue is reported in both the statement of net position and the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Government reports unavailable revenue from the following sources:

	Governmental Funds Balance Sheet				Total
	Statement of Net Position	General Fund	Flood Commission Fema	Non-Major Governmental Funds	
Grants received before time Requirements have been met	\$ 1,110,841	\$ 1,110,841	\$	\$	\$1,110,841
Grant revenue not received within 60 days of year end			156,598		156,598
Property taxes		80,495		170,831	251,326
Total	\$ 1,110,841	\$ 1,191,336	\$ 156,598	\$ 170,831	\$1,518,765

K. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets acquired with the debt are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, accrued compensated absences, and bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

L. Compensated Absences

The County's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

M. Equity Classifications

Government-wide Statements

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

- a. Net Investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

During the year ended June 30, 2011, the County implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to remain intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

M. Equity Classifications - (Cont'd)

- Committed fund balance – amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change its constraints.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by adoption of a resolution or a vote of the Board. This is typically done through the adoption and amendment of the budget. Assigned fund balance is established by the Board of Commissioners through adoption or amendment of the budget as intended for a specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

N. Revenues, Expenditures and Expenses

Gross Receipts Tax

The County levies a gross receipts tax on taxable gross receipts within the County. The rate includes both County and State assessments. The tax is collected by the New Mexico Taxation and Revenue Department and remitted to the County in the month following receipt by the Department. The Department receives the tax one month after collection by vendors. Included in this tax is amounts dedicated to intercept agreements, and those dedicated amounts are recorded directly in those funds.

Gross receipts tax collected by the State in June and July (which represent May and June transactions) and received by the County in July and August have been accrued and are included under the caption “Taxes Receivable”.

Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Property tax rates for the year are set no later than September 1 each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semiannual installments by November 10 and April 10 of the subsequent year and become delinquent 30 days later. Taxes are collected on behalf of the County by the County Treasurer, and are remitted to the County in the month following collection. Because the Treasurer of the County in which the county is located is statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable county to the County.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

N. Revenues, Expenditures and Expenses - (Cont'd)

The County is permitted to levy taxes for general operating purposes based on a state formula, per \$1,000 of taxable value for both residential and nonresidential property, taxable value being defined as one third of the fully assessed value. In addition, the County is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the County.

Property tax receivables are recognized net of estimated refunds and uncollectible amounts in the period for which the taxes are levied, even if they are not available. Property taxes not collected within 60 days of year-end are reported as deferred inflows of resources in the fund statements.

Operating Revenues and Expenses

Operating revenue of governmental funds includes fees to users and license fees. Operating grants include operating-specific and discretionary grants while capital grants reflect capital-specific appropriations.

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Fund – By Character: Current (further classified by function)
Debt Service
Capital Outlay

Proprietary Fund – By Operating and Non-operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. The County does not allocate indirect costs.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

O. Inter-Fund Transfers

Permanent re-allocation of resources between funds of the reporting entity are classified as inter-fund transfers. For the purposes of the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Q. Pensions

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

NOTE 2. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk in the event of a bank failure the Governments deposits may not be returned to it. The County does not have a deposit policy for credit risk beyond that disclosed in Note 1. As of June 30, 2015, \$885,437 of the County's bank balance of \$6,577,777 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized		<u>\$ 885,437</u>
	<u>Bank Balance</u>	<u>Carrying Amount</u>
<u>Deposits by custodial risk category:</u>		
Insured	\$ 695,232	\$ 695,232
Collateral held by the pledging bank's agent in the County's name	4,997,108	4,997,108
Uninsured and uncollateralized	<u>885,437</u>	<u>635,320</u>
	<u>\$ 6,577,777</u>	<u>\$ 6,327,660</u>

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 CUSTODIAL CREDIT RISK - (CONT'D)

The County does not have a risk policy beyond that required by State Statute.

The cash on deposit with NMFA is, in effect, loan proceeds or payments made by the County but not yet disbursed. Such deposits are subject to the collateral requirements of NMFA. Such deposits total \$967,000.

The County invests in the State Treasurer Local Governmental Investment Pool, a New Mexico sponsored investment alternative.

The State Treasurer Local Government Investment Pool is not SEC registered. The State Treasurer, with the advice and consent of the State Board of Finance, is authorized to invest money held in the short-term investment fund in accordance with Sections 6-10- 10-10P and Sections 6-10-10.1 A and E, NMSA 1978. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The pool does not have unit shares. Per Section 6-10-10.1F, 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 amounts fund were invested.

Investments are valued at fair value based on quoted market prices as of the valuation date.

Participation in the pool is voluntary. The County has \$501,122 on deposit in the pool at June 30, 2015, which is AAAM rated with a weighted average maturity of 48.6 days.

NOTE 3. INVESTMENTS

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

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Average Maturity</u>
Government GNMA	\$ 191,785	\$ 165,894	More than 5 years
FNMA Step Coupon	50,000	50,039	Less than 5 years
FFCB Note	75,000	74,905	Less than 5 years
U.S. Government Money Market	<u>222,567</u>	<u>222,567</u>	NA
	<u>\$ 539,352</u>	<u>\$ 513,405</u>	

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3. INVESTMENTS - (CONT'D)

Interest Rate Risk – The County invests in government securities with lower interest rate fluctuations as a means of managing its interest rate risk.

Credit Risk – The County invests only in direct obligations of the United States, or securities backed by the United States, and is not subject to credit risk.

Concentration of Credit Risk – The County places no limits on the amount it may invest in any one issuer. The County currently has 44% invested in GNMA Securities, U.S. Government Money Market, 4%, FFCB and FNMA Securities, 52%.

Custodial Credit Risk – The County is not subject to custodial credit risk for its investments, since all are held in the name of the County.

NOTE 4 RECEIVABLES

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

	<u>Governmental Activities</u>	<u>Business Type Activities:</u>
Property taxes	\$ 393,139	\$
Gross receipts tax	213,149	5,284
Motor Vehicle Taxes	51,476	
Gas Tax	<u>18,887</u>	<u> </u>
Total taxes receivable	<u>676,651</u>	<u>5,284</u>
Interest receivable	<u>4,681</u>	<u> </u>
Total receivables	<u><u>\$ 681,332</u></u>	<u><u>\$ 5,284</u></u>

The County believes all receivables are collectible, therefore, no allowance for doubtful accounts has been established.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ending June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets, not depreciated:				
Land and land improvements	\$ 1,311,730	\$	\$ (16,610)	\$ 1,295,120
Constructions in progress	<u>766,272</u>	<u>2,986,732</u>	<u>286,722</u>	<u>4,039,726</u>
Total capital assets not being depreciated	<u>2,078,002</u>	<u>2,986,732</u>	<u>270,112</u>	<u>5,334,846</u>
Capital assets, being depreciated:				
Road network, levies and bridges	18,073,463		(253,393)	17,820,070
Buildings and improvements	16,838,017	567,515	(729,087)	16,676,445
Equipment/vehicles/machinery	<u>7,654,698</u>	<u>228,736</u>	<u>712,368</u>	<u>8,595,802</u>
Total capital assets, being depreciated	<u>42,566,178</u>	<u>796,251</u>	<u>(270,112)</u>	<u>43,092,317</u>
Accumulated depreciation for:				
Road network, levies and bridges	13,332,044	301,059		13,633,103
Buildings and improvements	7,611,292	363,237		7,974,529
Equipment/vehicles/machinery	<u>5,760,157</u>	<u>599,763</u>		<u>6,359,920</u>
Total accumulated depreciation	<u>26,703,493</u>	<u>1,264,059</u>	<u>0</u>	<u>27,967,552</u>
Total capital assets, being depreciated, net	<u>15,862,685</u>	<u>(467,808)</u>	<u>(270,112)</u>	<u>15,124,765</u>
Governmental Activity, capital assets, net	<u>\$17,940,687</u>	<u>\$ 2,518,924</u>	<u>\$ 0</u>	<u>\$20,459,611</u>

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5. CAPITAL ASSETS - (CONT'D)

Other Business-Type activity for the year ending June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Business-type Activities:</u>				
Capital assets, not depreciated:				
Land and land improvements	\$ 3,975	\$ _____	\$ _____	\$ 3,975
Total capital assets not being depreciated	<u>3,975</u>	<u>0</u>	<u>0</u>	<u>3,975</u>
Capital assets, being depreciated:				
Equipment/vehicles/machinery	<u>338,659</u>	<u>_____</u>	<u>_____</u>	<u>338,659</u>
Total capital assets being depreciated	<u>338,659</u>	<u>0</u>	<u>0</u>	<u>338,659</u>
Accumulated depreciation for:				
Equipment/vehicles/machinery	<u>264,765</u>	<u>40,949</u>	<u>_____</u>	<u>305,714</u>
Total accumulated depreciation	<u>264,765</u>	<u>40,949</u>	<u>0</u>	<u>305,714</u>
Total capital assets, being depreciated, net	<u>73,894</u>	<u>(40,949)</u>	<u>0</u>	<u>32,945</u>
Other business-type activity programs capital assets, net	<u>\$ 77,869</u>	<u>\$ (40,949)</u>	<u>\$ 0</u>	<u>\$ 36,920</u>

Depreciation was charged to the Governmental Activities as follows:

General Government	\$ 139,047
Public Safety	581,467
Highways and Streets	391,858
Health and welfare	113,765
Culture-recreation	<u>37,922</u>
	<u>\$ 1,264,059</u>

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 LANDFILL POST-CLOSURE COSTS

State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

Estimated closure and post-closure costs	\$ <u>772,860</u>
Landfill capacity utilized	100%
Closure costs recognized to date	\$ 772,860
Cost incurred to date	<u>(99,497)</u>
Remaining post-closure liability	\$ <u><u>673,363</u></u>

The County is currently seeking approval of an expansion of the landfill, which would include the acquisition of land owned by the Bureau of Land Management. The landfill capacity utilized has been estimated without the planned expansion.

NOTE 7 ACCRUED EXPENSES

At June 30, 2015, accrued expenses consisted of the following:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>
Accruals payroll and benefits	\$ 273,373	\$ 1,548
Accrue interest payable	<u>55,916</u>	<u> </u>
	<u>\$ 329,289</u>	<u>\$ 1,548</u>

NOTE 8 LONG TERM DEBT

Changes in governmental funds long-term debt is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Notes payable	\$ 10,232,696	\$	\$ 506,993	\$ 9,725,703	\$ 508,705
Capital leases	<u>155,729</u>	<u> </u>	<u>42,064</u>	<u>113,665</u>	<u>44,590</u>
	<u>\$ 10,388,425</u>	<u>\$ 0</u>	<u>\$ 549,057</u>	<u>\$ 9,839,368</u>	<u>\$ 553,295</u>

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 LONG TERM DEBT - (CONT'D)

The County has entered into capital leases, primarily for road fund equipment. The economic substance of the leases is that the County is financing the acquisition of the equipment and, accordingly, they are recorded in the County's assets and liabilities. The obligations under the leases have been recorded in the accompanying financial statements at the present value of the future minimum lease payments, discounted at interest rates ranging from 4.3% to 4.6%. Payments under the leases are made from Road Fund General Operations. Equipment acquired under the lease has a book value of \$155,271.

The following is the schedule of future minimum lease payments required under the leases together with their present value at June 30, 2015:

Due in year ending:	
2016	\$ 48,069
2017	41,075
2018	27,091
2019	<u>4,515</u>
	120,750
Less amounts representing imputed interest	<u>(7,085)</u>
Present value of future lease payments	<u>\$ 113,665</u>

Sierra County has entered into several financing arrangements to purchase equipment and real property. The following are a synopsis of those loans.

Fire Department Loans – These loans are for equipment and real property. The loans are secured by the State Fire Allotments. The revenues pledged totaled \$1,712,889 at June 30, 2015, which is 36% of the future state fire allotments at their current rate. Interest rates range from 0% to 5.28% for individually scheduled retirements, and maturity dates range from 2016 through 2031. During the year ended June 30, 2015, the County recognized \$429,129 in pledged revenues, and retired \$152,280 in loan principal and interest.

Courthouse Renovations – These loans are for renovations to the courthouse and detention center. The loans are secured by gross receipts taxes. The revenues pledged totaled \$5,639,269 at June 30, 2015, which is 31% of gross receipts taxes at their current rate. Interest rates range from 0% to 4.10% for individually scheduled retirements, and maturity rates range from 2015-2032. During the year ended June 30, 2015, the County recognized \$639,622 in pledged revenues, and retired \$341,327 in loan principal and interest.

Hospital Renovations – This loan is for renovations to the Hospital, which is jointly owned by the City of Truth or Consequences and the County, and is to be repaid with gross receipts taxes dedicated to the retirement. The revenues pledged totaled \$5,841,958 at June 30, 2015, which is 66% of the future gross receipts tax at their current rate. Interest rates range from .28% to 3.35% for individually scheduled retirements, and the maturity date is 2032. During the year ended June 30, 2015, the County recognized \$395,717 in pledged revenues, and retired \$319,234 in loan principal and interest.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 LONG TERM DEBT - (CONT'D)

Detention Center Renovations – This loan is for renovations to the Detention Center, and is to be repaid from correction fees. The revenues pledged totaled \$36,563 at June 30, 2015, which is 8% of the future correction fees at their current rate. The interest rate is 0%, and the maturity date is 2021. During the year ended June 30, 2015, the County recognized \$65,418 in pledged revenues, and retired \$6,040 in loan principal and interest.

Certain of these loans have covenants and restrictions related to pledged revenues and reserve balance requirements. The County is in compliance with these provisions at June 30, 2015.

The annual principal payment requirements for notes outstanding as of June 30, 2015 are summarized as follows:

	Principal Payment	Interest Payment
2016	\$ 508,705	\$ 344,222
2017	507,721	332,236
2018	506,020	319,605
2019	521,234	305,716
2020	537,078	290,515
2021-2025	2,757,548	1,186,991
2026-2030	3,114,383	645,299
2031-2034	1,273,014	80,392
	\$ 9,725,703	\$ 3,504,976

Compensated absences in governmental funds were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
Compensated absences	\$ 44,644	\$ 80,921	\$ (30,194)	\$ 95,371	\$ 0

Changes in Proprietary Funds Long-Term Debt were as follows during the year ended June 30, 2015:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
Compensated absences	\$ 143	\$ 0	\$ 0	\$ 143	\$ 0

All compensated absences are considered non-current. Compensated absences are paid out of the fund that salaries for the respective employee are paid out of provided there are funds available. Otherwise, they are paid out of the general fund.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

General Information about the Pension Plan

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

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

Benefits provided. Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available.

Contributions. The contribution requirements of defined benefit plan members and the County is established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf. The PERA coverage options that apply to Sierra County are Municipal General Division and Municipal Police Division. Statutorily required contributions to the pension plan from the County were \$258,175 and there were no employer paid member benefits that were “picked up” by the employer for the year ended June 30, 2015.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 PENSION PLAN - PUBLIC EMPLOYEE RETIREMENT ASSOCIATION - (CONT'D)

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. The 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 June 30, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division Municipal General, at June 30, 2015, the County reported a liability of \$2,065,724 for its proportionate share of the net pension liability. At June 30, 2014, the County's proportion was 0.2648%, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the County recognized PERA Fund Division Municipal General, pension expense of \$86,182. At June 30, 2015, the County reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 PENSION PLAN - PUBLIC EMPLOYEE RETIREMENT ASSOCIATION - (CONT'D)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$	\$ 1,400
Net difference between projected and actual earnings on pension plan investments		808,166
County's contributions subsequent to the measurement date	179,001	
Total	\$ 179,001	\$ 809,566

\$179,001 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2016	\$ 202,390
2017	202,390
2018	202,390
2019	202,396
Total	\$ 809,566

For PERA Fund Division Municipal Police, at June 30, 2015, the County reported a liability of \$697,943 for its proportionate share of the net pension liability. At June 30, 2014, the County's proportion was 0.2141%, which was an increase of zero from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the County recognized PERA Fund Division Police, pension expense of \$46,871. At June 30, 2015, the County reported PERA Fund Division Police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$	\$ 56,697
Net difference between projected and actual earnings on pension plan investments		259,526
County's contributions subsequent to the measurement date	79,174	
Total	\$ 79,174	\$ 316,223

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 PENSION PLAN - PUBLIC EMPLOYEE RETIREMENT ASSOCIATION - (CONT'D)

\$79,174 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2016	\$ 78,985
2017	78,985
2018	78,985
2019	<u>79,268</u>
Total	<u>\$ 316,223</u>

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

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

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SIERRA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 PENSION PLAN - PUBLIC EMPLOYEE RETIREMENT ASSOCIATION - (CONT'D)

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:

<u>All Funds - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	21.1%	5.00%
International Equity	24.8	5.2
Private Equity	7	8.2
Core and Global Fixed Income	26.1	1.85
Fixed Income Plus Sectors	5	4.8
Real Estate	5	5.30
Real Assets	7	5.7
Absolute Return	4	4.15
Total	<u>100</u>	

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

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the County's net pension liability in each PERA Fund Division that 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.

<u>PERA Fund Municipal General Division</u>	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
County's proportionate share of the net pension liability	<u>\$ 3,894,355</u>	<u>\$ 2,065,724</u>	<u>\$ 653,020</u>

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 PENSION PLAN - PUBLIC EMPLOYEE RETIREMENT ASSOCIATION - (CONT'D)

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
PERA Fund Police Division			
County's proportionate share of the net pension liability	<u>\$ 1,330,978</u>	<u>\$ 697,943</u>	<u>\$ 225,264</u>

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

Payables to the pension plan. The County doesn't have any amount due to the plan at June 30, 2015.

NOTE 10 RETIREE HEALTH CARE ACT CONTRIBUTIONS

The County does not participate in the Retiree Health Care Act.

NOTE 11 CONTINGENT LIABILITIES

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

NOTE 12 FUTURE COMMITMENTS

The County has contracts and grant awards for construction projects in various stages of completion. Such contracts, funded principally by federal and state agencies, constitute future commitments.

NOTE 13 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 to employees; and natural disasters. The County has joined together with other agencies in the State and obtained insurance through the New Mexico Self Insurers Fund, a public risk pool currently operating as a common risk management and insurance program for local governments. The County pays an annual premium to New Mexico Self Insurers Fund for its general insurance coverage. No losses in excess of insurance coverage have been experienced.

**STATE OF NEW MEXICO
SIERRA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 FUND BALANCE DEFICITS

The County had fund balance deficits in the following funds:

Juvenile Probation \$(7,084), Disaster Assistance \$(4,526), Hospital GRT \$(7,653) and Secure Rural Schools \$(1,972). These deficits are caused by the accrual of accounts payable, and the modified accrual basis limitation of 60 days on the accrual of revenue. As revenue is received and liabilities liquidated, the deficit fund balance will be reduced.

NOTE 15 INTER-FUND ACTIVITY

Inter-fund balances at June 30, 2015, consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Activities		
Major Funds:		
General Fund	\$ 4,183,001	\$ 1,205,548
Sierra Vista Hospital	2,507	3,761,569
Flood Commission Fema	460,197	
Treasurer fees	4,112,696	4,084,461
Nonmajor Funds	<u>766,596</u>	<u>498,249</u>
	9,524,997	9,549,827
Business-type Activities	<u>24,830</u>	
	<u>\$ 9,549,827</u>	<u>\$ 9,549,827</u>

These amounts are expected to be repaid within one year, and the advances were made to meet operating expenses.

Inter-fund transfers were as follows during the year ended June 30, 2015 :

	<u>Transfers</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities		
Major Funds:		
General Fund	\$ 1,223,601	\$ 2,360,037
Sierra Vista Hospital	4,100,000	4,100,000
Flood Commission Fema	282,787	
Nonmajor Funds	<u>1,538,180</u>	<u>684,531</u>
	<u>\$ 7,144,568</u>	<u>\$ 7,144,568</u>

The transfers were made to fund debt service payments, fund construction projects and provide operating funds.

STATE OF NEW MEXICO
SIERRA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 RESTRICTED NET POSITION

Net position restricted for other purposes consist of special revenue fund balances which are restricted by legislation to specific purposes. The restricting legislation is listed in the fund descriptions appearing at the beginning of Other Supplementary Information. Major restrictions are as follows:

Flood Damage	\$ 386,147
Road Fund	666,540
Flood Commission Fema	282,787
County Indigent Fund	660,576
Rural Fire Departments	478,308
Correction Fee Fund	250,303
Other	<u>326,877</u>
	<u><u>\$ 3,051,538</u></u>

The County reports \$3,468,896 in restricted assets, of which \$3,468,896 is restricted by enabling legislation.

NOTE 17 EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through December 31, 2015, the date which the financial statements were available to be issued.

NOTE 18 RESTATEMENT

A prior period adjustment of \$3,756,402 has been reflected in the County's financial statements to record the net pension asset/liability, deferred outflows/inflows, and adjusted pension expense and net position in accordance to GASB 68.

Beginning net position as previously reported at June 30, 2014	<u>\$17,588,018</u>
Prior period adjustment - Implementation GASB 68:	
Net pension liability (measurement date)	(4,029,370)
Deferred outflows - County's contributions made during fiscal year 2014	<u>272,968</u>
Total prior period adjustment	<u>(3,756,402)</u>
Net position as restated, July 1, 2014	<u><u>\$13,831,616</u></u>

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
SIERRA COUNTY
NONMAJOR FUNDS DESCRIPTION
JUNE 30, 2015

SPECIAL REVENUE FUNDS

Farm and Range Fund – To account for the operations of farm and range activities, including soil and water conservation, rodent and predatory animal control, poisonous and noxious weed control, and livestock parasite control. Financing is primarily from state-shared revenues through the Taylor Grazing Act. Authority is NMSA 6-11-6.

Recreation Fund – To account for the operations and maintenance of County-owned recreation facilities. Financing is provided by the County's share of cigarette tax. State law requires the use of these cigarette taxes to be used for recreation purposes. The authority to create this fund was given by New Mexico Statute 7-12-15.

County Indigent Fund – To account for expenditures incurred in providing services for the care of indigent. Financing is provided by the County's share of gross receipts tax and may be used for that purpose. Authority NMSA 24-10A-1.

Hospital GRT – To account for funds provided by New Mexico Emergency County Hospital gross receipts tax. The Authority is a local ordinance to assess the gross receipts tax.

Enhanced 911 Addressing Grant Fund – To account for funds provided by the State of New Mexico under the Enhanced 911 Act (NMSA 1978 Sections 63-9D-1). To be used to improve the physical addressing and provide faster responses in case of emergency.

County Reappraisal Fund – To account for the operations of a fund to help with reappraisal of County property to ensure valuation reflects current fair market value. Financing is provided by retainage of 1% of tax collections. Authority NMSA 7-38-38-1.

Lodgers' Tax – To account for collections of a lodgers' tax, the proceeds of which are used for advertisement of local attractions. Authority NMSA 3-38-13 to 3-38-24.

Mednet Emergency Medical Services – To account for revenues, grants received, and expenditures incurred in providing emergency medical services to County residents. Sources of funds are the State of New Mexico Health and Environment Department, Emergency Medical Services Bureau. Authority is NMSA 24-10A-1 to 24-10A-10.

Law Enforcement Protection – To account for the operations of a grant from the State of New Mexico through Law Enforcement Protection Fund Act for the purpose of maintenance and improvement of law enforcement equipment, and may be used only for that purpose. Authority is NMSA 23-13-1.

STATE OF NEW MEXICO
SIERRA COUNTY
NONMAJOR FUNDS DESCRIPTION
JUNE 30, 2015

SPECIAL REVENUE FUNDS - (CONT'D)

Correction Fees – To account for fees assessed for the housing of prisoners and is used for maintenance of the County jail. Authorization is New Mexico Department of Finance and Administration.

Juvenile Probation – To account for the resources to be utilized to enhance juvenile probation. Authority is the County Commission.

Clerk Equipment Fee Fund – to account for fees collected by the County Clerk to be used exclusively for the purchase of capital assets for the Clerk's Office, as authorized by the New Mexico State Statutes (NMSA 14-8-12.2B).

Flood Damage – To account for taxes levied on property in Sierra County to establish the Office of County Flood Commissioner as authorized in Section 4-50-1 NMSA 1978 and County Resolution 88-069.

Fire Departments - To account for grants received and expenditures incurred in providing fire protection to residents. Financing is provided from the County's share of fire allotment issued by the State Fire Marshall under NMSA 59-53-1. Such revenue provides for payment of all current operating costs and may be used only for that purpose. Expenditures related to emergency medical services, funded in part by state grants under the Authority of NMSA 24-10A-1 to 24-10A-10 are accounted for in the individual fire funds.

Section 12-10-5 Local Civil Emergency Preparedness (Disaster Assistance) – The governing bodies of political subdivisions of the State are responsible for the civil emergency preparedness of their respective jurisdictions. Each political subdivision is authorized to establish, by ordinance or resolution, a local office of civil emergency preparedness as an agency of the local government, and responsible to the governing body, in accordance with the state civil emergency preparedness plan and program. The governing body, subject to approval of the state director, shall appoint every local coordinator of civil emergency preparedness and such local coordinator shall have direct responsibility for carrying out the civil emergency preparedness programs of the political subdivision. He shall coordinate the civil emergency preparedness activities of all local government department and agencies, and shall maintain liaison with and cooperate with civil preparedness agencies and organizations of other political subdivisions and of the state government. Each local organization shall perform civil preparedness functions within territorial limits of the political subdivision within which it is organized.

Road Fund – To account for the activities associated with the maintenance of County roads.

Secure Rural Schools – To account for the federal resources provided to improve transportation and security of school children. Authorization is the Federal Transportation Act.

STATE OF NEW MEXICO
SIERRA COUNTY
NONMAJOR FUNDS DESCRIPTION
JUNE 30, 2015

SPECIAL REVENUE FUNDS - (CONT'D)

Fire Administration – To account for the State resources allocated to the County to improve fire protection. Authorization is the Board of County Commissioners.

CAPITAL PROJECTS FUNDS

CDBG Projects - To account for the Federal Funds to be used solely for capital planning. Authority is the Community Development Block Grant Program, P.L. 93-383.

Sierra Vista Hospital – To account for the proceeds from a NMFA Loan to be used to make capital improvements to the Sierra Vista Hospital.

AGENCY FUNDS

Property Tax Fund – To account for the undistributed property taxes both received and yet to be received which are to be distributed to the various taxing entities at a later date.

Prisoners Fund – To account for the deposits and expenditures from prisoners' private funds, used to buy personal items at the commissary.

**STATE OF NEW MEXICO
SIERRA COUNTY**

NONMAJOR GOVERNMENTAL FUNDS - COMBINING BALANCE SHEET
JUNE 30, 2015

	Special Revenue Funds		
	403 - Farm and Range	404 - Recreation	406 - County Indigent
ASSETS			
Cash and investments	\$	\$ 1,132	\$ 553,039
Taxes receivable			82,864
Interfund receivable	1,091		70,531
Total assets	1,091	1,132	706,434
LIABILITIES			
Accounts payable			45,205
Accrued expenses			653
Interfund payable			
Total liabilities	0	0	45,858
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue			
Total deferred inflows of resources	0	0	0
FUND BALANCES			
Restricted for:			
Debt service funds			
Public safety			
Health and welfare	1,091		660,576
Highways and streets			
Tax reappraisal			
Equipment purchases			
Culture and recreation		1,132	
Unassigned			
Total fund balances	1,091	1,132	660,576
Total liabilities, deferred inflows of resources and fund balances	\$ 1,091	\$ 1,132	\$ 706,434

**STATE OF NEW MEXICO
SIERRA COUNTY**

NONMAJOR GOVERNMENTAL FUNDS - COMBINING BALANCE SHEET
JUNE 30, 2015

	Special Revenue Funds		
	422 - Reappraisal Fund	477 - Lodgers Tax/Promo Fund	549 - Juvenile Probation
ASSETS			
Cash and investments	\$ 74,979	\$ 5,141	\$
Taxes receivable		827	
Interfund receivable	4,339	2,785	
Total assets	<u>79,318</u>	<u>8,753</u>	<u>0</u>
LIABILITIES			
Accounts payable	5,654		7,084
Accrued expenses			
Interfund payable			
Total liabilities	<u>5,654</u>	<u>0</u>	<u>7,084</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue			
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES			
Restricted for:			
Debt service funds			
Public safety			
Health and welfare			
Highways and streets			
Tax reappraisal	73,664		
Equipment purchases			
Culture and recreation		8,753	
Unassigned			(7,084)
Total fund balances	<u>73,664</u>	<u>8,753</u>	<u>(7,084)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 79,318</u>	<u>\$ 8,753</u>	<u>\$ 0</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

NONMAJOR GOVERNMENTAL FUNDS - COMBINING BALANCE SHEET
JUNE 30, 2015

	Special Revenue Funds		
	605 - Correction Fee Fund	624 - Clerk Equip Recording Fee	Disaster Assistance
ASSETS			
Cash and investments	\$ 29,292	\$ 81,771	\$
Taxes receivable	41,404		
Interfund receivable	336,186	2,268	70,823
Total assets	406,882	84,039	70,823
LIABILITIES			
Accounts payable	156,579	4,600	1,084
Accrued expenses			1,877
Interfund payable			72,388
Total liabilities	156,579	4,600	75,349
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue			
Total deferred inflows of resources	0	0	0
FUND BALANCES			
Restricted for:			
Debt service funds			
Public safety	250,303		
Health and welfare			
Highways and streets			
Tax reappraisal			
Equipment purchases		79,439	
Culture and recreation			
Unassigned			(4,526)
Total fund balances	250,303	79,439	(4,526)
Total liabilities, deferred inflows of resources and fund balances	\$ 406,882	\$ 84,039	\$ 70,823

**STATE OF NEW MEXICO
SIERRA COUNTY**

NONMAJOR GOVERNMENTAL FUNDS - COMBINING BALANCE SHEET
JUNE 30, 2015

	Special Revenue Funds		
	Fire Admin	Flood Damage	Hospital - GRT
ASSETS			
Cash and investments	\$ 29,247	\$ 253,278	\$ 16,899
Taxes receivable		113,942	31,561
Interfund receivable	<u>31,042</u>	<u>124,224</u>	<u>12,596</u>
Total assets	<u>60,289</u>	<u>491,444</u>	<u>61,056</u>
LIABILITIES			
Accounts payable		596	2,579
Accrued expenses			
Interfund payable	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>0</u>	<u>596</u>	<u>2,579</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u> </u>	<u>104,701</u>	<u>66,130</u>
Total deferred inflows of resources	<u>0</u>	<u>104,701</u>	<u>66,130</u>
FUND BALANCES			
Restricted for:			
Debt service funds			
Public safety	60,289		
Health and welfare		386,147	
Highways and streets			
Tax reappraisal			
Equipment purchases			
Culture and recreation			
Unassigned	<u> </u>	<u> </u>	<u>(7,653)</u>
Total fund balances	<u>60,289</u>	<u>386,147</u>	<u>(7,653)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,289</u>	<u>\$ 491,444</u>	<u>\$ 61,056</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

NONMAJOR GOVERNMENTAL FUNDS - COMBINING BALANCE SHEET
JUNE 30, 2015

	Special Revenue Funds		
	Law Enforcement	MedNet EMS	Road Dept.
ASSETS			
Cash and investments	\$ 52,659	\$ 7,182	\$ 992,285
Taxes receivable			46,941
Interfund receivable	<u>39,955</u>	<u>1,222</u>	<u> </u>
Total assets	<u>92,614</u>	<u>8,404</u>	<u>1,039,226</u>
LIABILITIES			
Accounts payable	50,922	658	51,440
Accrued expenses			31,779
Interfund payable	<u> </u>	<u> </u>	<u>289,467</u>
Total liabilities	<u>50,922</u>	<u>658</u>	<u>372,686</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES			
Restricted for:			
Debt service funds			
Public safety	41,692	7,746	
Health and welfare			
Highways and streets			666,540
Tax reappraisal			
Equipment purchases			
Culture and recreation			
Unassigned	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>41,692</u>	<u>7,746</u>	<u>666,540</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 92,614</u>	<u>\$ 8,404</u>	<u>\$ 1,039,226</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

NONMAJOR GOVERNMENTAL FUNDS - COMBINING BALANCE SHEET
JUNE 30, 2015

	Special Revenue Funds		
	Rural Fire Departments	Secure Rural Schools	911 Addressing
ASSETS			
Cash and investments	\$ 675,280	\$	\$ 56,054
Taxes receivable			
Interfund receivable	<u>69,534</u>	<u> </u>	<u> </u>
Total assets	<u>744,814</u>	<u>0</u>	<u>56,054</u>
LIABILITIES			
Accounts payable	143,488		4,354
Accrued expenses			17,084
Interfund payable	<u>123,018</u>	<u>1,972</u>	<u>9,780</u>
Total liabilities	<u>266,506</u>	<u>1,972</u>	<u>31,218</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES			
Restricted for:			
Debt service funds			
Public safety	478,308		
Health and welfare			24,836
Highways and streets			
Tax reappraisal			
Equipment purchases			
Culture and recreation			
Unassigned	<u> </u>	<u>(1,972)</u>	<u> </u>
Total fund balances	<u>478,308</u>	<u>(1,972)</u>	<u>24,836</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 744,814</u>	<u>\$ 0</u>	<u>\$ 56,054</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

NONMAJOR GOVERNMENTAL FUNDS - COMBINING BALANCE SHEET
JUNE 30, 2015

	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	
		550 -	
	503 - Capital	Underwood	
	<u>Road Grants</u>	<u>Water</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 1,303	\$ 417,679	\$ 3,247,220
Taxes receivable			317,539
Interfund receivable			<u>766,596</u>
Total assets	<u>1,303</u>	<u>417,679</u>	<u>4,331,355</u>
LIABILITIES			
Accounts payable			474,243
Accrued expenses			51,393
Interfund payable	<u>1,303</u>	<u>321</u>	<u>498,249</u>
Total liabilities	<u>1,303</u>	<u>321</u>	<u>1,023,885</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue			<u>170,831</u>
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>170,831</u>
FUND BALANCES			
Restricted for:			
Debt service funds		417,358	417,358
Public safety			838,338
Health and welfare			1,072,650
Highways and streets			666,540
Tax reappraisal			73,664
Equipment purchases			79,439
Culture and recreation			9,885
Unassigned			<u>(21,235)</u>
Total fund balances	<u>0</u>	<u>417,358</u>	<u>3,136,639</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,303</u>	<u>\$ 417,679</u>	<u>\$ 4,331,355</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds		
	403 - Farm and Range	404 - Recreation	406 - County Indigent
REVENUES:			
Property taxes	\$	\$	\$
Gas taxes			
Gross receipts taxes			515,638
Lodgers taxes			
Federal intergovernmental	15,648		
State intergovernmental			
Licenses and permits			
Charges for services			
Miscellaneous			600
<i>Total revenues</i>	15,648	0	516,238
EXPENDITURES:			
Current:			
General government			
Public safety			
Highways & Streets			
Health and welfare	29,409		416,536
Culture and recreation			
Debt Service:			
Debt service - principal			
<i>Total expenditures</i>	29,409	0	416,536
<i>Excess (deficiency) of revenues over expenditures</i>	(13,761)	0	99,702
OTHER FINANCING SOURCES (USES):			
Transfer In	24,181		
Transfer out			
<i>Total other financing sources (uses)</i>	24,181	0	0
Net change in fund balance	10,420	0	99,702
Fund balance - beginning of year	(9,329)	1,132	560,874
Fund balance - end of year	\$ 1,091	\$ 1,132	\$ 660,576

**STATE OF NEW MEXICO
SIERRA COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds		
	422 - Reappraisal Fund	477 - Lodgers Tax/Promo Fund	549 - Juvenile Probation
REVENUES:			
Property taxes	\$	\$	\$
Gas taxes			
Gross receipts taxes			
Lodgers taxes		5,417	
Federal intergovernmental			
State intergovernmental			
Licenses and permits			
Charges for services			
Miscellaneous	81,833		
<i>Total revenues</i>	81,833	5,417	0
EXPENDITURES:			
Current:			
General government	81,383		
Public safety			30,789
Highways & Streets			
Health and welfare			
Culture and recreation		2,372	
Debt Service:			
Debt service - principal			
<i>Total expenditures</i>	81,383	2,372	30,789
<i>Excess (deficiency) of revenues over expenditures</i>	450	3,045	(30,789)
OTHER FINANCING SOURCES (USES):			
Transfer In			30,789
Transfer out			
<i>Total other financing sources (uses)</i>	0	0	30,789
Net change in fund balance	450	3,045	0
Fund balance - beginning of year	73,214	5,708	(7,084)
Fund balance - end of year	\$ 73,664	\$ 8,753	\$ (7,084)

**STATE OF NEW MEXICO
SIERRA COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds		
	605 - Correction Fee Fund	624 - Clerk Equip Recording Fee	Disaster Assistance
REVENUES:			
Property taxes	\$	\$	\$
Gas taxes			
Gross receipts taxes	256,693		
Lodgers taxes			
Federal intergovernmental			254,568
State intergovernmental	47,567		
Licenses and permits			
Charges for services	65,418	24,829	5,476
Miscellaneous	<u>17,820</u>	<u> </u>	<u>30</u>
<i>Total revenues</i>	<u>387,498</u>	<u>24,829</u>	<u>260,074</u>
EXPENDITURES:			
Current:			
General government		22,963	
Public safety	754,279		220,043
Highways & Streets			
Health and welfare			
Culture and recreation			
Debt Service:			
Debt service - principal	<u>97,488</u>	<u> </u>	<u> </u>
<i>Total expenditures</i>	<u>851,767</u>	<u>22,963</u>	<u>220,043</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(464,269)</u>	<u>1,866</u>	<u>40,031</u>
OTHER FINANCING SOURCES (USES):			
Transfer In	786,863		28,773
Transfer out	<u> </u>	<u> </u>	<u> </u>
<i>Total other financing sources (uses)</i>	<u>786,863</u>	<u>0</u>	<u>28,773</u>
Net change in fund balance	322,594	1,866	68,804
Fund balance - beginning of year	<u>(72,291)</u>	<u>77,573</u>	<u>(73,330)</u>
Fund balance - end of year	<u>\$ 250,303</u>	<u>\$ 79,439</u>	<u>\$ (4,526)</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds		
	Fire Admin	Flood Damage	Hospital - GRT
REVENUES:			
Property taxes	\$	\$ 444,070	\$ 565,607
Gas taxes			
Gross receipts taxes			395,717
Lodgers taxes			
Federal intergovernmental	584,980		
State intergovernmental	49,324		
Licenses and permits			
Charges for services		1,334	
Miscellaneous		120	
<i>Total revenues</i>	634,304	445,524	961,324
EXPENDITURES:			
Current:			
General government			323,533
Public safety	603,262		
Highways & Streets			
Health and welfare		38,464	745,373
Culture and recreation			
Debt Service:			
Debt service - principal			
<i>Total expenditures</i>	603,262	38,464	1,068,906
<i>Excess (deficiency) of revenues over expenditures</i>	31,042	407,060	(107,582)
OTHER FINANCING SOURCES (USES):			
Transfer In			
Transfer out		(282,787)	
<i>Total other financing sources (uses)</i>	0	(282,787)	0
Net change in fund balance	31,042	124,273	(107,582)
Fund balance - beginning of year	29,247	261,874	99,929
Fund balance - end of year	\$ 60,289	\$ 386,147	\$ (7,653)

**STATE OF NEW MEXICO
SIERRA COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds		
	Law Enforcement	MedNet EMS	Road Dept.
REVENUES:			
Property taxes	\$	\$	\$
Gas taxes			110,623
Gross receipts taxes			
Lodgers taxes			
Federal intergovernmental			227,692
State intergovernmental	26,000	20,000	320,233
Licenses and permits			156,319
Charges for services	38,872		
Miscellaneous			161,152
	<u>64,872</u>	<u>20,000</u>	<u>976,019</u>
<i>Total revenues</i>			
EXPENDITURES:			
Current:			
General government	67,210		
Public safety	8,629	14,844	
Highways & Streets			1,420,872
Health and welfare			
Culture and recreation			
Debt Service:			
Debt service - principal			134,018
	<u>75,839</u>	<u>14,844</u>	<u>1,554,890</u>
<i>Total expenditures</i>			
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,967)</u>	<u>5,156</u>	<u>(578,871)</u>
OTHER FINANCING SOURCES (USES):			
Transfer In			667,574
Transfer out			(400,441)
	<u>0</u>	<u>0</u>	<u>267,133</u>
<i>Total other financing sources (uses)</i>			
Net change in fund balance	(10,967)	5,156	(311,738)
Fund balance - beginning of year	52,659	2,590	978,278
Fund balance - end of year	<u>\$ 41,692</u>	<u>\$ 7,746</u>	<u>\$ 666,540</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds		
	Rural Fire Departments	Secure Rural Schools	911 Addressing
REVENUES:			
Property taxes	\$	\$	\$
Gas taxes			
Gross receipts taxes			
Lodgers taxes			
Federal intergovernmental			
State intergovernmental	641,734		233,945
Licenses and permits			234
Charges for services			301,684
Miscellaneous	<u>4,947</u>	<u> </u>	<u>593</u>
<i>Total revenues</i>	<u>646,681</u>	<u>0</u>	<u>536,456</u>
EXPENDITURES:			
Current:			
General government		1,972	7,906
Public safety	810,902		554,002
Highways & Streets			
Health and welfare			
Culture and recreation			
Debt Service:			
Debt service - principal	<u> </u>	<u> </u>	<u> </u>
<i>Total expenditures</i>	<u>810,902</u>	<u>1,972</u>	<u>561,908</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(164,221)</u>	<u>(1,972)</u>	<u>(25,452)</u>
OTHER FINANCING SOURCES (USES):			
Transfer In			
Transfer out	<u> </u>	<u> </u>	<u> </u>
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	(164,221)	(1,972)	(25,452)
Fund balance - beginning of year	<u>642,529</u>	<u>0</u>	<u>50,288</u>
Fund balance - end of year	<u>\$ 478,308</u>	<u>\$ (1,972)</u>	<u>\$ 24,836</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Capital Projects Funds	Debt Service Funds	
	503 - Capital Road Grants	550 - Underwood Water	Total
REVENUES:			
Property taxes	\$	\$ 1,659	\$ 1,011,336
Gas taxes			110,623
Gross receipts taxes			1,168,048
Lodgers taxes			5,417
Federal intergovernmental			1,082,888
State intergovernmental			1,338,803
Licenses and permits			156,553
Charges for services			437,613
Miscellaneous			267,095
	0	1,659	5,578,376
EXPENDITURES:			
Current:			
General government			504,967
Public safety		1,980	2,998,730
Highways & Streets			1,420,872
Health and welfare			1,229,782
Culture and recreation			2,372
Debt Service:			
Debt service - principal			231,506
	0	1,980	6,388,229
<i>Excess (deficiency) of revenues over expenditures</i>	0	(321)	(809,853)
OTHER FINANCING SOURCES (USES):			
Transfer In			1,538,180
Transfer out	(1,303)		(684,531)
	(1,303)	0	853,649
Net change in fund balance	(1,303)	(321)	43,796
Fund balance - beginning of year	1,303	417,679	3,092,843
Fund balance - end of year	\$ 0	\$ 417,358	\$ 3,136,639

STATE OF NEW MEXICO
SIERRA COUNTY
COMBINING BALANCE SHEET - RURAL FIRE DEPARTMENTS
JUNE 30, 2015

	<u>Hillsboro Fire Fund</u>	<u>Lakeshore Fire Fund</u>	<u>409 - Arrey/Derry Fire Dept.</u>	<u>410 - Winston Fire Department</u>
ASSETS				
Cash and investments	\$ 109,779	\$ 49,929	\$ 32,730	\$ 88,694
Interfund receivable	<u>28,416</u>	<u>1,924</u>	<u>7,409</u>	<u> </u>
Total assets	<u>138,195</u>	<u>51,853</u>	<u>40,139</u>	<u>88,694</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	12,404	21,586	7,296	6,052
Interfund payable	<u> </u>	<u>15,723</u>	<u> </u>	<u>7,623</u>
Total liabilities	<u>12,404</u>	<u>37,309</u>	<u>7,296</u>	<u>13,675</u>
FUND BALANCES				
Restricted for:				
Public Safety	<u>125,791</u>	<u>14,544</u>	<u>32,843</u>	<u>75,019</u>
Total fund balances	<u>125,791</u>	<u>14,544</u>	<u>32,843</u>	<u>75,019</u>
Total liabilities and fund balances	<u>\$ 138,195</u>	<u>\$ 51,853</u>	<u>\$ 40,139</u>	<u>\$ 88,694</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

COMBINING BALANCE SHEET - RURAL FIRE DEPARTMENTS

JUNE 30, 2015

	<u>411 - Monticello Fire Department</u>	<u>Caballo Fire Fund</u>	<u>Las Palomas Fire Fund</u>	<u>425 - Poverty Creek Fire Department</u>
ASSETS				
Cash and investments	\$ 101,765	\$ 64,659	\$ 161,574	\$ 66,150
Interfund receivable	<u>1,090</u>	<u>30,695</u>	<u> </u>	<u> </u>
Total assets	<u>102,855</u>	<u>95,354</u>	<u>161,574</u>	<u>66,150</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	6,102	77,199	7,685	5,164
Interfund payable	<u> </u>	<u>577</u>	<u>95,626</u>	<u>3,469</u>
Total liabilities	<u>6,102</u>	<u>77,776</u>	<u>103,311</u>	<u>8,633</u>
FUND BALANCES				
Restricted for:				
Public Safety	<u>96,753</u>	<u>17,578</u>	<u>58,263</u>	<u>57,517</u>
Total fund balances	<u>96,753</u>	<u>17,578</u>	<u>58,263</u>	<u>57,517</u>
Total liabilities and fund balances	<u>\$ 102,855</u>	<u>\$ 95,354</u>	<u>\$ 161,574</u>	<u>\$ 66,150</u>

STATE OF NEW MEXICO
SIERRA COUNTY
COMBINING BALANCE SHEET - RURAL FIRE DEPARTMENTS
JUNE 30, 2015

	Total
ASSETS	
Cash and investments	\$ 675,280
Interfund receivable	69,534
Total assets	744,814
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	143,488
Interfund payable	123,018
Total liabilities	266,506
FUND BALANCES	
Restricted for:	
Public Safety	478,308
Total fund balances	478,308
Total liabilities and fund balances	\$ 744,814

**STATE OF NEW MEXICO
SIERRA COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - RURAL FIRE DEPARTMENTS**

JUNE 30, 2015

	<u>Hillsboro Fire Fund</u>	<u>Lakeshore Fire Fund</u>	409 - <u>Arrey/Derry Fire Dept.</u>
REVENUES:			
State intergovernmental	\$ 97,147	\$ 57,582	\$ 70,598
Miscellaneous	<u>51</u>	<u>500</u>	<u></u>
<i>Total revenues</i>	<u>97,198</u>	<u>58,082</u>	<u>70,598</u>
EXPENDITURES:			
Current:			
Public safety	<u>79,772</u>	<u>81,016</u>	<u>69,360</u>
<i>Total expenditures</i>	<u>79,772</u>	<u>81,016</u>	<u>69,360</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>17,426</u>	<u>(22,934)</u>	<u>1,238</u>
Net change in fund balance	17,426	(22,934)	1,238
Fund balance - beginning of year	<u>108,365</u>	<u>37,478</u>	<u>31,605</u>
Fund balance - end of year	<u><u>\$ 125,791</u></u>	<u><u>\$ 14,544</u></u>	<u><u>\$ 32,843</u></u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - RURAL FIRE DEPARTMENTS**

JUNE 30, 2015

	410 - Winston Fire Department	411 - Monticello Fire Department	Caballo Fire Fund
REVENUES:			
State intergovernmental	\$ 68,803	\$ 68,803	\$ 151,091
Miscellaneous	<u>143</u>	<u>8</u>	<u>3,745</u>
<i>Total revenues</i>	<u>68,946</u>	<u>68,811</u>	<u>154,836</u>
EXPENDITURES:			
Current:			
Public safety	<u>80,840</u>	<u>72,699</u>	<u>189,597</u>
<i>Total expenditures</i>	<u>80,840</u>	<u>72,699</u>	<u>189,597</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(11,894)</u>	<u>(3,888)</u>	<u>(34,761)</u>
Net change in fund balance	(11,894)	(3,888)	(34,761)
Fund balance - beginning of year	<u>86,913</u>	<u>100,641</u>	<u>52,339</u>
Fund balance - end of year	<u><u>\$ 75,019</u></u>	<u><u>\$ 96,753</u></u>	<u><u>\$ 17,578</u></u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - RURAL FIRE DEPARTMENTS**

JUNE 30, 2015

	<u>Las Palomas Fire Fund</u>	<u>425 - Poverty Creek Fire Department</u>	<u>Total</u>
REVENUES:			
State intergovernmental	\$ 61,514	\$ 66,196	\$ 641,734
Miscellaneous	<u>500</u>	<u> </u>	<u>4,947</u>
<i>Total revenues</i>	<u>62,014</u>	<u>66,196</u>	<u>646,681</u>
EXPENDITURES:			
Current:			
Public safety	<u>163,695</u>	<u>73,923</u>	<u>810,902</u>
<i>Total expenditures</i>	<u>163,695</u>	<u>73,923</u>	<u>810,902</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(101,681)</u>	<u>(7,727)</u>	<u>(164,221)</u>
Net change in fund balance	(101,681)	(7,727)	(164,221)
Fund balance - beginning of year	<u>159,944</u>	<u>65,244</u>	<u>642,529</u>
Fund balance - end of year	<u><u>\$ 58,263</u></u>	<u><u>\$ 57,517</u></u>	<u><u>\$ 478,308</u></u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR REMAINING FUNDS**

**STATE OF NEW MEXICO
SIERRA COUNTY**

FARM AND RANGE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Federal intergovernmental	\$ 20,000	\$ 20,000	\$ 15,648	\$ (4,352)
<i>Total revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>15,648</u>	<u>(4,352)</u>
EXPENDITURES:				
Current:				
Health and welfare	<u>39,829</u>	<u>39,829</u>	<u>38,738</u>	<u>1,091</u>
<i>Total expenditures</i>	<u>39,829</u>	<u>39,829</u>	<u>38,738</u>	<u>1,091</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(19,829)</u>	<u>(19,829)</u>	<u>(23,090)</u>	<u>(3,261)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>19,830</u>	<u>19,830</u>	<u>24,181</u>	<u>4,351</u>
<i>Total other financing sources (uses)</i>	<u>19,830</u>	<u>19,830</u>	<u>24,181</u>	<u>4,351</u>
Net changes in fund balances	1	1	1,091	1,090
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>1,091</u>	<u>\$ 1,090</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			1,091	
Revenue accruals (net)			0	
Expenditure accruals (net)			9,329	
Other financing sources (net)			<u>0</u>	
Net changes in fund balances (GAAP basis)			<u>\$ 10,420</u>	

**STATE OF NEW MEXICO
SIERRA COUNTY**

RECREATION FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
<i>Total revenues</i>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
EXPENDITURES:				
<i>Total expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net changes in fund balances	0	0	0	0
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>1,132</u>	<u>1,132</u>
Fund balances - end of year	<u><u>0</u></u>	<u><u>0</u></u>	<u>1,132</u>	<u><u>1,132</u></u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			0	
Revenue accruals (net)			0	
Expenditure accruals (net)			<u>0</u>	
Net changes in fund balances (GAAP basis)			<u><u>0</u></u>	

**STATE OF NEW MEXICO
SIERRA COUNTY**

911 ADDRESSING FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
State intergovernmental	\$ 318,860	\$ 318,860	\$ 233,945	\$ (84,915)
Licenses and permits	200	200	234	34
Charges for services	301,300	301,300	301,684	384
Miscellaneous	547	547	593	46
<i>Total revenues</i>	620,907	620,907	536,456	(84,451)
EXPENDITURES:				
Current:				
General government		7,906	7,906	
Public safety	668,751	663,205	538,330	124,875
<i>Total expenditures</i>	668,751	671,111	546,236	124,875
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(47,844)	(50,204)	(9,780)	40,424
Net changes in fund balances	(47,844)	(50,204)	(9,780)	40,424
Fund balances - beginning of year	11,089	1,089	56,054	54,965
Fund balances - end of year	\$ (36,755)	\$ (49,115)	46,274	\$ 95,389
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			(9,780)	
Revenue accruals (net)			0	
Expenditure accruals (net)			(15,672)	
Net changes in fund balances (GAAP basis)			\$ (25,452)	

**STATE OF NEW MEXICO
SIERRA COUNTY**

REAPPRAISAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Miscellaneous	\$ 79,300	\$ 79,300	\$ 81,833	\$ 2,533
<i>Total revenues</i>	<u>79,300</u>	<u>79,300</u>	<u>81,833</u>	<u>2,533</u>
EXPENDITURES:				
Current:				
General government	95,191	95,191	77,494	17,697
<i>Total expenditures</i>	<u>95,191</u>	<u>95,191</u>	<u>77,494</u>	<u>17,697</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(15,891)</u>	<u>(15,891)</u>	<u>4,339</u>	<u>20,230</u>
Net changes in fund balances	(15,891)	(15,891)	4,339	20,230
Fund balances - beginning of year	52,350	52,350	74,979	22,629
Fund balances - end of year	<u>\$ 36,459</u>	<u>\$ 36,459</u>	<u>79,318</u>	<u>\$ 42,859</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			4,339	
Revenue accruals (net)			0	
Expenditure accruals (net)			(3,889)	
Net changes in fund balances (GAAP basis)			<u>\$ 450</u>	

**STATE OF NEW MEXICO
SIERRA COUNTY**

LODGERS TAX/PROMO FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Lodgers tax	\$ 4,010	\$ 4,010	\$ 5,417	\$ 1,407
<i>Total revenues</i>	4,010	4,010	5,417	1,407
EXPENDITURES:				
Current:				
Culture and recreation	4,010	4,010	2,632	1,378
<i>Total expenditures</i>	4,010	4,010	2,632	1,378
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	2,785	2,785
Net changes in fund balances	0	0	2,785	2,785
Fund balances - beginning of year	0	0	5,141	5,141
Fund balances - end of year	\$ 0	\$ 0	7,926	\$ 7,926
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			2,785	
Revenue accruals (net)			0	
Expenditure accruals (net)			260	
Net changes in fund balances (GAAP basis)			\$ 3,045	

**STATE OF NEW MEXICO
SIERRA COUNTY**

MED NET EMS FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
State intergovernmental	\$ 20,000	\$ 20,000	\$ 20,000	\$ _____
<i>Total revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
EXPENDITURES:				
Current:				
Public safety	19,000	22,500	11,595	10,905
<i>Total expenditures</i>	<u>19,000</u>	<u>22,500</u>	<u>11,595</u>	<u>10,905</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>1,000</u>	<u>(2,500)</u>	<u>8,405</u>	<u>10,905</u>
Net changes in fund balances	1,000	(2,500)	8,405	10,905
Fund balances - beginning of year	684	684	7,182	6,498
Fund balances - end of year	<u>\$ 1,684</u>	<u>\$ (1,816)</u>	<u>15,587</u>	<u>\$ 17,403</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			8,405	
Revenue accruals (net)			0	
Expenditure accruals (net)			(3,249)	
Net changes in fund balances (GAAP basis)			<u>\$ 5,156</u>	

**STATE OF NEW MEXICO
SIERRA COUNTY**

**LAW ENFORCEMENT PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
State intergovernmental	\$ 26,000	\$ 26,000	\$ 26,000	\$
Charges for services	38,872	38,872	38,872	
<i>Total revenues</i>	64,872	64,872	64,872	0
EXPENDITURES:				
Current:				
General government	16,300	16,300	16,288	12
Public safety	35,700	74,572	3,760	70,812
<i>Total expenditures</i>	52,000	90,872	20,048	70,824
<i>Excess (deficiency) of revenues over (under) expenditures</i>	12,872	(26,000)	44,824	70,824
Net changes in fund balances	12,872	(26,000)	44,824	70,824
Fund balances - beginning of year	16,288	16,288	30,869	14,581
Fund balances - end of year	\$ 29,160	\$ (9,712)	75,693	\$ 85,405
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			44,824	
Revenue accruals (net)			0	
Expenditure accruals (net)			(55,791)	
Net changes in fund balances (GAAP basis)			\$ (10,967)	

**STATE OF NEW MEXICO
SIERRA COUNTY**

CORRECTION FEE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Gross receipts tax	\$ 250,000	\$ 250,000	\$ 256,693	\$ 6,693
State intergovernmental	45,000	45,000	47,567	2,567
Charges for services	70,000	70,000	65,418	(4,582)
Miscellaneous	<u> </u>	<u> </u>	<u>17,820</u>	<u>17,820</u>
<i>Total revenues</i>	<u>365,000</u>	<u>365,000</u>	<u>387,498</u>	<u>22,498</u>
EXPENDITURES:				
Current:				
Public safety	527,945	879,959	740,687	139,272
Debt service - principal	<u>97,500</u>	<u>97,489</u>	<u>97,488</u>	<u>1</u>
<i>Total expenditures</i>	<u>625,445</u>	<u>977,448</u>	<u>838,175</u>	<u>139,273</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(260,445)</u>	<u>(612,448)</u>	<u>(450,677)</u>	<u>161,771</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>260,445</u>	<u>260,445</u>	<u>786,863</u>	<u>526,418</u>
<i>Total other financing sources (uses)</i>	<u>260,445</u>	<u>260,445</u>	<u>786,863</u>	<u>526,418</u>
Net changes in fund balances	0	(352,003)	336,186	688,189
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>23,206</u>	<u>23,206</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ (352,003)</u>	<u>359,392</u>	<u>\$ 711,395</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			336,186	
Revenue accruals (net)			0	
Expenditure accruals (net)			(13,592)	
Other financing sources (net)			<u>0</u>	
Net changes in fund balances (GAAP basis)			<u>\$ 322,594</u>	

**STATE OF NEW MEXICO
SIERRA COUNTY**

JUVENILE PROBATION FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
<i>Total revenues</i>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
EXPENDITURES:				
Current:				
Public safety	<u>50,000</u>	<u>50,000</u>	<u>30,789</u>	<u>19,211</u>
<i>Total expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>30,789</u>	<u>19,211</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(30,789)</u>	<u>19,211</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>30,789</u>	<u>(19,211)</u>
<i>Total other financing sources (uses)</i>	<u>50,000</u>	<u>50,000</u>	<u>30,789</u>	<u>(19,211)</u>
Net changes in fund balances	0	0	0	0
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>0</u></u>	<u><u>\$ 0</u></u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			0	
Revenue accruals (net)			0	
Expenditure accruals (net)			0	
Other financing sources (net)			<u>0</u>	
Net changes in fund balances (GAAP basis)			<u><u>\$ 0</u></u>	

**STATE OF NEW MEXICO
SIERRA COUNTY**

FLOOD DAMAGE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Property taxes	\$ 400,000	\$ 400,000	\$ 444,070	\$ 44,070
Charges for services	1,334	1,334	1,334	
Miscellaneous	500	500	120	(380)
<i>Total revenues</i>	401,834	401,834	445,524	43,690
EXPENDITURES:				
Current:				
Health and welfare	401,834	401,834	38,513	363,321
<i>Total expenditures</i>	401,834	401,834	38,513	363,321
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	407,011	407,011
OTHER FINANCING SOURCES (USES):				
Transfers (Out)			(282,787)	(282,787)
<i>Total other financing sources (uses)</i>	0	0	(282,787)	(282,787)
Net changes in fund balances	0	0	124,224	124,224
Fund balances - beginning of year	708,091	308,091	253,278	(54,813)
Fund balances - end of year	\$ 708,091	\$ 308,091	377,502	\$ 69,411
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			124,224	
Revenue accruals (net)			0	
Expenditure accruals (net)			49	
Other financing sources (net)			0	
Net changes in fund balances (GAAP basis)			\$ 124,273	

**STATE OF NEW MEXICO
SIERRA COUNTY**

**CLERK EQUIP RECORDING FEE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Charges for services	\$ 25,000	\$ 25,000	\$ 24,829	\$ (171)
<i>Total revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>24,829</u>	<u>(171)</u>
EXPENDITURES:				
Current:				
General government	55,989	55,989	22,561	33,428
<i>Total expenditures</i>	<u>55,989</u>	<u>55,989</u>	<u>22,561</u>	<u>33,428</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(30,989)</u>	<u>(30,989)</u>	<u>2,268</u>	<u>33,257</u>
Net changes in fund balances	(30,989)	(30,989)	2,268	33,257
Fund balances - beginning of year	<u>35,600</u>	<u>35,600</u>	<u>81,771</u>	<u>46,171</u>
Fund balances - end of year	<u>\$ 4,611</u>	<u>\$ 4,611</u>	<u>84,039</u>	<u>\$ 79,428</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			2,268	
Revenue accruals (net)			0	
Expenditure accruals (net)			(402)	
Net changes in fund balances (GAAP basis)			<u>\$ 1,866</u>	

**STATE OF NEW MEXICO
SIERRA COUNTY**

COUNTY INDIGENT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Gross receipts tax	\$ 500,000	\$ 500,000	\$ 515,638	\$ 15,638
Miscellaneous	<u> </u>	<u> </u>	<u>600</u>	<u>600</u>
<i>Total revenues</i>	<u>500,000</u>	<u>500,000</u>	<u>516,238</u>	<u>16,238</u>
EXPENDITURES:				
Current:				
Health and welfare	<u>513,549</u>	<u>517,949</u>	<u>445,707</u>	<u>72,242</u>
<i>Total expenditures</i>	<u>513,549</u>	<u>517,949</u>	<u>445,707</u>	<u>72,242</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(13,549)</u>	<u>(17,949)</u>	<u>70,531</u>	<u>88,480</u>
Net changes in fund balances	(13,549)	(17,949)	70,531	88,480
Fund balances - beginning of year	<u>1,828,108</u>	<u>1,828,108</u>	<u>553,039</u>	<u>(1,275,069)</u>
Fund balances - end of year	<u>\$ 1,814,559</u>	<u>\$ 1,810,159</u>	<u>623,570</u>	<u>\$ (1,186,589)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			70,531	
Revenue accruals (net)				
Expenditure accruals (net)			<u>29,171</u>	
Net changes in fund balances (GAAP basis)			<u>\$ 99,702</u>	

**STATE OF NEW MEXICO
SIERRA COUNTY**

WINSTON FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
State intergovernmental	\$ 68,803	\$ 68,803	\$ 68,803	\$
Miscellaneous			143	143
<i>Total revenues</i>	68,803	68,803	68,946	143
EXPENDITURES:				
Current:				
Public safety	54,686	118,492	76,569	41,923
Capital outlay		39,000		39,000
<i>Total expenditures</i>	54,686	157,492	76,569	80,923
<i>Excess (deficiency) of revenues over (under) expenditures</i>	14,117	(88,689)	(7,623)	81,066
Net changes in fund balances	14,117	(88,689)	(7,623)	81,066
Fund balances - beginning of year	95,795	62,321	88,689	26,368
Fund balances - end of year	\$ 109,912	\$ (26,368)	81,066	\$ 107,434
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			(7,623)	
Revenue accruals (net)			0	
Expenditure accruals (net)			(4,271)	
Net changes in fund balances (GAAP basis)			\$ (11,894)	

**STATE OF NEW MEXICO
SIERRA COUNTY**

LAKESHORE FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
State intergovernmental	\$ 57,582	\$ 57,582	\$ 57,582	\$
Miscellaneous			500	500
<i>Total revenues</i>	57,582	57,582	58,082	500
EXPENDITURES:				
Current:				
Public safety	49,958	107,506	71,881	35,625
<i>Total expenditures</i>	49,958	107,506	71,881	35,625
<i>Excess (deficiency) of revenues over (under) expenditures</i>	7,624	(49,924)	(13,799)	36,125
Net changes in fund balances	7,624	(49,924)	(13,799)	36,125
Fund balances - beginning of year	8,481	5,631	49,924	44,293
Fund balances - end of year	\$ 16,105	\$ (44,293)	36,125	\$ 80,418
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			(13,799)	
Revenue accruals (net)			0	
Expenditure accruals (net)			(9,135)	
Net changes in fund balances (GAAP basis)			\$ (22,934)	

**STATE OF NEW MEXICO
SIERRA COUNTY**

MONTICELLO FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
State intergovernmental	\$ 68,803	\$ 68,803	\$ 68,803	\$
Miscellaneous	5,000	5,000	8	(4,992)
<i>Total revenues</i>	73,803	73,803	68,811	(4,992)
EXPENDITURES:				
Current:				
Public safety	54,947	143,500	67,721	75,779
<i>Total expenditures</i>	54,947	143,500	67,721	75,779
<i>Excess (deficiency) of revenues over (under) expenditures</i>	18,856	(69,697)	1,090	70,787
Net changes in fund balances	18,856	(69,697)	1,090	70,787
Fund balances - beginning of year	2,068	2,068	69,697	67,629
Fund balances - end of year	\$ 20,924	\$ (67,629)	70,787	\$ 138,416
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			1,090	
Revenue accruals (net)			0	
Expenditure accruals (net)			(4,978)	
Net changes in fund balances (GAAP basis)			\$ (3,888)	

**STATE OF NEW MEXICO
SIERRA COUNTY**

CABALLO FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
State intergovernmental	\$ 149,233	\$ 149,233	\$ 151,091	\$ 1,858
Miscellaneous	3,704	3,704	3,745	41
<i>Total revenues</i>	152,937	152,937	154,836	1,899
EXPENDITURES:				
Current:				
Public safety	57,838	213,047	124,718	88,329
<i>Total expenditures</i>	57,838	213,047	124,718	88,329
<i>Excess (deficiency) of revenues over (under) expenditures</i>	95,099	(60,110)	30,118	90,228
Net changes in fund balances	95,099	(60,110)	30,118	90,228
Fund balances - beginning of year	3,042	3,042	64,659	61,617
Fund balances - end of year	\$ 98,141	\$ (57,068)	94,777	\$ 151,845
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			30,118	
Revenue accruals (net)			0	
Expenditure accruals (net)			(64,879)	
Net changes in fund balances (GAAP basis)			\$ (34,761)	

**STATE OF NEW MEXICO
SIERRA COUNTY**

ARREY/DERRY FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			
	Original Budget	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
REVENUES:				
State intergovernmental	\$ 68,803	\$ 68,803	\$ 70,598	\$ 1,795
<i>Total revenues</i>	<u>68,803</u>	<u>68,803</u>	<u>70,598</u>	<u>1,795</u>
EXPENDITURES:				
Current:				
Public safety	55,795	84,579	63,189	21,390
<i>Total expenditures</i>	<u>55,795</u>	<u>84,579</u>	<u>63,189</u>	<u>21,390</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>13,008</u>	<u>(15,776)</u>	<u>7,409</u>	<u>23,185</u>
Net changes in fund balances	13,008	(15,776)	7,409	23,185
Fund balances - beginning of year	<u>170,964</u>	<u>0</u>	<u>15,776</u>	<u>15,776</u>
Fund balances - end of year	<u>\$ 183,972</u>	<u>\$ (15,776)</u>	<u>23,185</u>	<u>\$ 38,961</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			7,409	
Revenue accruals (net)			0	
Expenditure accruals (net)			(6,171)	
Net changes in fund balances (GAAP basis)			<u>\$ 1,238</u>	

**STATE OF NEW MEXICO
SIERRA COUNTY**

HILLSBORO FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
State intergovernmental	\$ 97,147	\$ 97,147	\$ 97,147	\$
Miscellaneous			51	51
<i>Total revenues</i>	97,147	97,147	97,198	51
EXPENDITURES:				
Current:				
Public safety	86,322	137,470	69,112	68,358
<i>Total expenditures</i>	86,322	137,470	69,112	68,358
<i>Excess (deficiency) of revenues over (under) expenditures</i>	10,825	(40,323)	28,086	68,409
Net changes in fund balances	10,825	(40,323)	28,086	68,409
Fund balances - beginning of year	11,318	11,318	37,770	26,452
Fund balances - end of year	\$ 22,143	\$ (29,005)	65,856	\$ 94,861
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			28,086	
Revenue accruals (net)			0	
Expenditure accruals (net)			(10,660)	
Net changes in fund balances (GAAP basis)			\$ 17,426	

**STATE OF NEW MEXICO
SIERRA COUNTY**

LAS PALOMAS FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
State intergovernmental	\$ 58,678	\$ 58,678	\$ 61,514	\$ 2,836
Miscellaneous			500	500
<i>Total revenues</i>	58,678	58,678	62,014	3,336
EXPENDITURES:				
Current:				
Public safety	64,591	221,544	157,640	63,904
<i>Total expenditures</i>	64,591	221,544	157,640	63,904
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(5,913)	(162,866)	(95,626)	67,240
Net changes in fund balances	(5,913)	(162,866)	(95,626)	67,240
Fund balances - beginning of year	0	0	161,570	161,570
Fund balances - end of year	\$ (5,913)	\$ (162,866)	65,944	\$ 228,810
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			(95,626)	
Revenue accruals (net)			0	
Expenditure accruals (net)			(6,055)	
Net changes in fund balances (GAAP basis)			\$ (101,681)	

**STATE OF NEW MEXICO
SIERRA COUNTY**

POVERTY CREEK FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
State intergovernmental	\$ 66,196	\$ 66,196	\$ 66,196	\$ _____
<i>Total revenues</i>	<u>66,196</u>	<u>66,196</u>	<u>66,196</u>	<u>0</u>
EXPENDITURES:				
Current:				
Public safety	52,654	103,514	69,665	33,849
<i>Total expenditures</i>	<u>52,654</u>	<u>103,514</u>	<u>69,665</u>	<u>33,849</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>13,542</u>	<u>(37,318)</u>	<u>(3,469)</u>	<u>33,849</u>
Net changes in fund balances	13,542	(37,318)	(3,469)	33,849
Fund balances - beginning of year	41,838	0	37,318	37,318
Fund balances - end of year	<u>\$ 55,380</u>	<u>\$ (37,318)</u>	<u>33,849</u>	<u>\$ 71,167</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			(3,469)	
Revenue accruals (net)			0	
Expenditure accruals (net)			(4,258)	
Net changes in fund balances (GAAP basis)			<u>\$ (7,727)</u>	

**STATE OF NEW MEXICO
SIERRA COUNTY**

DISASTER ASSISTANCE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Federal intergovernmental	\$ 210,595	\$ 210,595	\$ 254,568	\$ 43,973
Charges for services			5,476	5,476
Miscellaneous			30	30
<i>Total revenues</i>	210,595	210,595	260,074	49,479
EXPENDITURES:				
Current:				
Public safety	172,887	239,368	218,024	21,344
<i>Total expenditures</i>	172,887	239,368	218,024	21,344
<i>Excess (deficiency) of revenues over (under) expenditures</i>	37,708	(28,773)	42,050	70,823
OTHER FINANCING SOURCES (USES):				
Transfers In	28,773	28,773	28,773	
<i>Total other financing sources (uses)</i>	28,773	28,773	28,773	0
Net changes in fund balances	66,481	0	70,823	70,823
Fund balances - beginning of year	1,000	1,000	(72,388)	(73,388)
Fund balances - end of year	\$ 67,481	\$ 1,000	(1,565)	\$ (2,565)
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			70,823	
Revenue accruals (net)			0	
Expenditure accruals (net)			(2,019)	
Other financing sources (net)			0	
Net changes in fund balances (GAAP basis)			\$ 68,804	

**STATE OF NEW MEXICO
SIERRA COUNTY**

**HOSPITAL GROSS RECEIPTS TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Property taxes	\$ 720,000	\$ 720,000	\$ 565,607	\$ (154,393)
Gross receipts tax	324,500	324,500	516,009	191,509
<i>Total revenues</i>	1,044,500	1,044,500	1,081,616	37,116
EXPENDITURES:				
Current:				
General government	250,000	323,730	323,533	197
Health and welfare	70,000	736,770	574,483	162,287
<i>Total expenditures</i>	320,000	1,060,500	898,016	162,484
<i>Excess (deficiency) of revenues over (under) expenditures</i>	724,500	(16,000)	183,600	199,600
Net changes in fund balances	724,500	(16,000)	183,600	199,600
Fund balances - beginning of year	389,996	2,479	16,899	14,420
Fund balances - end of year	\$ 1,114,496	\$ (13,521)	200,499	\$ 214,020
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			183,600	
Revenue accruals (net)			(120,292)	
Expenditure accruals (net)			(170,890)	
Net changes in fund balances (GAAP basis)			\$ (107,582)	

**STATE OF NEW MEXICO
SIERRA COUNTY**

**SECURE RURAL SCHOOLS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
<i>Total revenues</i>	0	0	0	0
EXPENDITURES:				
<i>Total expenditures</i>	0	0	0	0
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	0	0
Net changes in fund balances	0	0	0	0
Fund balances - beginning of year	0	0	0	0
Fund balances - end of year	\$ 0	\$ 0	0	\$ 0
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			0	
Revenue accruals (net)			0	
Expenditure accruals (net)			(1,972)	
Net changes in fund balances (GAAP basis)			\$ (1,972)	

**STATE OF NEW MEXICO
SIERRA COUNTY**

ROAD DEPARTMENT FUNDS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Gas tax	\$ 117,300	\$ 117,300	\$ 110,152	\$ (7,148)
Federal intergovernmental	220,051	220,051	227,692	7,641
State intergovernmental	560,071	560,071	320,233	(239,838)
Licenses and permits	150,000	150,000	156,319	6,319
Miscellaneous	158,700	158,700	161,152	2,452
<i>Total revenues</i>	1,206,122	1,206,122	975,548	(230,574)
EXPENDITURES:				
Current:				
Highways and streets	1,240,246	1,764,972	1,301,547	463,425
Capital outlay		120,500		120,500
Debt service - principal	109,750	139,943	133,689	6,254
<i>Total expenditures</i>	1,349,996	2,025,415	1,435,236	590,179
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(143,874)	(819,293)	(459,688)	359,605
OTHER FINANCING SOURCES (USES):				
Transfers In	387,133	387,133	667,574	280,441
Transfers (Out)			(400,441)	(400,441)
<i>Total other financing sources (uses)</i>	387,133	387,133	267,133	(120,000)
Net changes in fund balances	243,259	(432,160)	(192,555)	239,605
Fund balances - beginning of year	604,903	315,490	570,536	255,046
Fund balances - end of year	\$ 848,162	\$ (116,670)	377,981	\$ 494,651
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			(192,555)	
Revenue accruals (net)			471	
Expenditure accruals (net)			(119,654)	
Other financing sources (net)			0	
Net changes in fund balances (GAAP basis)			\$ (311,738)	

**STATE OF NEW MEXICO
SIERRA COUNTY**

FIRE ADMIN FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Federal intergovernmental	\$ 587,385	\$ 587,385	\$ 584,980	\$ (2,405)
State intergovernmental	49,324	49,324	49,324	
<i>Total revenues</i>	<u>636,709</u>	<u>636,709</u>	<u>634,304</u>	<u>(2,405)</u>
EXPENDITURES:				
Current:				
Public safety	636,709	665,956	603,262	62,694
<i>Total expenditures</i>	<u>636,709</u>	<u>665,956</u>	<u>603,262</u>	<u>62,694</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>0</u>	<u>(29,247)</u>	<u>31,042</u>	<u>60,289</u>
Net changes in fund balances	0	(29,247)	31,042	60,289
Fund balances - beginning of year	<u>0</u>	<u>0</u>	<u>29,247</u>	<u>29,247</u>
Fund balances - end of year	<u>0</u>	<u>(29,247)</u>	<u>60,289</u>	<u>\$ 89,536</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			31,042	
Revenue accruals (net)			0	
Expenditure accruals (net)			<u>0</u>	
Net changes in fund balances (GAAP basis)			<u>\$ 31,042</u>	

CAPITAL PROJECTS FUNDS

**STATE OF NEW MEXICO
SIERRA COUNTY**

CDBG CAPITAL PROJECTS FUNDS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Federal intergovernmental	\$ 500,000	\$ 500,000	\$ _____	\$ (500,000)
<i>Total revenues</i>	500,000	500,000	0	(500,000)
EXPENDITURES:				
Current:				
Highways and streets	500,000	500,000	_____	500,000
<i>Total expenditures</i>	500,000	500,000	0	500,000
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	0	0
OTHER FINANCING SOURCES (USES):				
Transfers (Out)	_____	_____	(1,303)	(1,303)
<i>Total other financing sources (uses)</i>	0	0	(1,303)	(1,303)
Net changes in fund balances	0	0	(1,303)	(1,303)
Fund balances - beginning of year	0	0	1,303	1,303
Fund balances - end of year	\$ 0	\$ 0	0	\$ 0
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			(1,303)	
Revenue accruals (net)			0	
Expenditure accruals (net)			0	
Other financing sources (net)			0	
Net changes in fund balances (GAAP basis)			\$ (1,303)	

**STATE OF NEW MEXICO
SIERRA COUNTY**

SIERRA VISTA HOSPITAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Miscellaneous	\$ _____	\$ _____	\$ 3,457	\$ 3,457
<i>Total revenues</i>	0	0	3,457	3,457
EXPENDITURES:				
Capital outlay	4,620,000	4,620,000	3,835,457	784,543
<i>Total expenditures</i>	4,620,000	4,620,000	3,835,457	784,543
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(4,620,000)	(4,620,000)	(3,832,000)	788,000
OTHER FINANCING SOURCES (USES):				
Transfers In			4,100,000	4,100,000
Transfers (Out)	_____	_____	(4,100,000)	(4,100,000)
<i>Total other financing sources (uses)</i>	0	0	0	0
Net changes in fund balances	(4,620,000)	(4,620,000)	(3,832,000)	788,000
Fund balances - beginning of year	0	0	4,627,353	4,627,353
Fund balances - end of year	\$ (4,620,000)	\$ (4,620,000)	795,353	\$ 5,415,353
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			(3,832,000)	
Revenue accruals (net)			0	
Expenditure accruals (net)			52,474	
Other financing sources (net)			0	
Net changes in fund balances (GAAP basis)			\$ (3,779,526)	

DEBT SERVICE FUNDS

**STATE OF NEW MEXICO
SIERRA COUNTY**

UNDERWOOD WATER

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Property taxes	\$ 1,500	\$ 1,500	\$ 1,659	\$ 159
<i>Total revenues</i>	1,500	1,500	1,659	159
EXPENDITURES:				
Current:				
Public safety	1,980	1,980	1,980	0
<i>Total expenditures</i>	1,980	1,980	1,980	0
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(480)	(480)	(321)	159
Net changes in fund balances	(480)	(480)	(321)	159
Fund balances - beginning of year	0	0	0	0
Fund balances - end of year	\$ (480)	\$ (480)	(321)	\$ 159
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			(321)	
Revenue accruals (net)			0	
Expenditure accruals (net)			0	
Net changes in fund balances (GAAP basis)			\$ (321)	

ENTERPRISE FUNDS

**STATE OF NEW MEXICO
SIERRA COUNTY**

LANDFILL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Taxes GRT	\$ 85,000	\$ 85,000	\$ 92,993	\$ 7,993
Charges for services	15,500	15,500	15,677	177
Miscellaneous	<u> </u>	<u> </u>	<u>7,529</u>	<u>7,529</u>
<i>Total revenues</i>	<u>100,500</u>	<u>100,500</u>	<u>116,199</u>	<u>15,699</u>
EXPENDITURES:				
Personnel	41,781	41,381	36,537	4,844
Operating	<u>30,650</u>	<u>53,400</u>	<u>47,303</u>	<u>6,097</u>
<i>Total expenditures</i>	<u>72,431</u>	<u>94,781</u>	<u>83,840</u>	<u>10,941</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>28,069</u>	<u>5,719</u>	<u>32,359</u>	<u>26,640</u>
Net changes in fund balances	28,069	5,719	32,359	26,640
Fund balances - beginning of year	<u>13,805</u>	<u>13,805</u>	<u>59,674</u>	<u>45,869</u>
Fund balances - end of year	<u>\$ 41,874</u>	<u>\$ 19,524</u>	<u>92,033</u>	<u>\$ 72,509</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balances (Non-GAAP budgetary basis)			32,359	
Revenue accruals (net)			(7,595)	
Expenditure accruals (net)			(80,088)	
Depreciation			<u>40,949</u>	
Net changes in fund balances (GAAP basis)			<u>\$ (14,375)</u>	

OTHER SUPPLEMENTAL DATA

**STATE OF NEW MEXICO
SIERRA COUNTY**

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Beginning Balance	Receipts	Deductions	Ending Balance
<i>PROPERTY TAX FUND:</i>				
ASSETS				
Cash and investments	\$ 118,717	\$ 22,971	\$ 41,456	\$ 100,232
Receivables	<u>422,085</u>	<u> </u>	<u> </u>	<u>422,085</u>
Total assets	<u>540,802</u>	<u>22,971</u>	<u>41,456</u>	<u>522,317</u>
LIABILITIES				
Due to other	<u>540,802</u>	<u>22,971</u>	<u>41,456</u>	<u>522,317</u>
Total liabilities	<u>540,802</u>	<u>22,971</u>	<u>41,456</u>	<u>522,317</u>
<i>PRISONERS PERSONAL FUND:</i>				
ASSETS				
Cash and investments	<u>19,474</u>	<u>1,316,435</u>	<u>1,316,435</u>	<u>19,474</u>
Total assets	<u>19,474</u>	<u>1,316,435</u>	<u>1,316,435</u>	<u>19,474</u>
LIABILITIES				
Due to other	<u>19,474</u>	<u>1,316,435</u>	<u>1,316,435</u>	<u>19,474</u>
Total liabilities	<u>19,474</u>	<u>1,316,435</u>	<u>1,316,435</u>	<u>19,474</u>
<i>SPACEPORT:</i>				
ASSETS				
Cash and investments	9,644	383,899	383,899	9,644
Taxes Receivables	<u>51,937</u>	<u> </u>	<u> </u>	<u>51,937</u>
Total assets	<u>61,581</u>	<u>383,899</u>	<u>383,899</u>	<u>61,581</u>
LIABILITIES				
Due to other	<u>61,581</u>	<u>383,899</u>	<u>383,899</u>	<u>61,581</u>
Total liabilities	<u>61,581</u>	<u>383,899</u>	<u>383,899</u>	<u>61,581</u>
TOTAL ALL AGENCY FUND				
ASSETS				
Cash and investments	147,835	1,723,305	1,741,790	129,350
Taxes Receivables	<u>474,022</u>	<u> </u>	<u> </u>	<u>474,022</u>
TOTAL ASSETS	<u>621,857</u>	<u>1,723,305</u>	<u>1,741,790</u>	<u>603,372</u>
LIABILITIES				
Due to other	<u>621,857</u>	<u>1,723,305</u>	<u>1,741,790</u>	<u>603,372</u>
TOTAL LIABILITIES	<u>\$ 621,857</u>	<u>\$ 1,723,305</u>	<u>\$ 1,741,790</u>	<u>\$ 603,372</u>

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF DEPOSITORY COLLATERAL
JUNE 30, 2015

	<u>Bank of the Southwest</u>	<u>Citizen Bank</u>	<u>Compass Bank</u>	<u>Total</u>
Checking	\$ 4,996	\$ 5,883,065	\$ 499,480	\$ 6,387,541
Certificate of Deposit	<u>190,236</u>			<u>190,236</u>
Total of Deposits	195,232	5,883,065	499,480	6,577,777
Less: FDIC/SPIC insurance	<u>195,232</u>	<u>250,000</u>	<u>250,000</u>	<u>695,232</u>
Total Uninsured public funds	<u>0</u>	<u>5,633,065</u>	<u>249,480</u>	<u>5,882,545</u>
50% collateralization requirement (Section 6-10-17 NMSA)		<u>2,816,533</u>	<u>124,740</u>	<u>2,941,273</u>
Total collateralization requirement	<u>0</u>	<u>2,816,533</u>	<u>124,740</u>	<u>2,941,273</u>
Pledged Securities:				
FHLB NONC #3130A3KMS 12/09/22		750,000		750,000
FNMA ARM #695982 3/1/33			16,530	16,530
FNMA ARM #712306 5/1/33			53,502	53,502
FNMA ARM AP9497 12/01/42			45,092	45,092
FNMA ARM AJ8074 12/1/41			41,901	41,901
GNMA II #4804 9/20/40			24,103	24,103
GNMA II #603301 12/15/46			33,210	33,210
FHLB Letter of credit - 09/04/2015		<u>3,999,560</u>	<u>33,210</u>	<u>4,032,770</u>
Total Pledged Securities:	<u>0</u>	<u>4,749,560</u>	<u>247,548</u>	<u>4,997,108</u>
Pledged securities over (under) requirement	<u>\$ 0</u>	<u>\$ 1,933,027</u>	<u>\$ 122,808</u>	<u>\$ 2,055,835</u>

Securities pledged are held for the Citizens Bank by the Independent Bankers Bank in Dallas, TX and for Compass Bank First Financial in El Paso, TX.

**STATE OF NEW MEXICO
SIERRA COUNTY**

**SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
JUNE 30, 2015**

	Type of Account	Bank Balance	Reconciled Balance
Bank of the Southwest:			
General	Checking	\$ 3,811	\$ 3,395
Agency	Checking	1,185	990
Treasurer	CD	95,118	95,118
Treasurer	CD	95,118	95,118
Total Bank of the Southwest		195,232	194,621
Compass Bank:			
General	Money Market	249,672	249,672
General	Money Market	249,808	249,808
Total State National Bank		499,480	499,480
Citizens Bank:			
General	Checking	5,775,368	5,525,863
Landfills	Money Market	37,531	37,531
General	Money Market	70,165	70,165
Total Citizens Bank		5,883,064	5,633,559
Wells Fargo Investments:			
Treasurer	Money Market	63,122	63,122
Treasurer	GNMA Sec	165,894	165,894
Total Wells Fargo Investments		229,016	229,016
LGIP:			
Treasurer	Investment	501,122	501,122
Total LGIP		501,122	501,122
First Saving Bank:			
Treasurer	Money Market	27,366	27,366
Total First Saving Bank		27,366	27,366
1st Financial:			
Treasurer	Money Market	132,079	132,079
Treasurer	FNMA Step	124,944	124,944
Total 1st Financial		257,023	257,023
Cash on deposit with paying agent	NMFA		967,000
Cash on hand			5,588
Total reconciled cash and investments :			\$ 8,314,775
Cash and investments - Statement of Net Position			8,185,425
Cash and investments - Statement of fiduciary assets and liabilities			129,350
Total cash and investments as per financials			8,314,775

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Joint Power Agreement	97-059
Participants	The City of Truth or Consequences The Village of Williamsburg Sierra County
Responsible Party	The City of Truth or Consequences The Village of Williamsburg Sierra County
Description	To provide adequate and appropriate hospital facilities.
Dates of agreement	Indefinitely until terminated by parties.
Amount of project	Unknown
Agency contribution	Gross receipts intercept agreement for 47.5% of ownership.
Audit Responsibility	Sierra Vista Hospital The City of Truth or Consequences The Village of Williamsburg Sierra County

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Joint Power Agreement	JPA 2000-2001
Participants	Sierra County Commission Sierra County Sheriff The Village of Williamsburg
Responsible Party	Sierra County Commission Sierra County Sheriff The Village of Williamsburg
Description	To assign the use of any existing Law Enforcement equipment owned by the Village to the Sheriff Department to be used in providing law enforcement protection.
Dates of agreement	Ongoing
Amount of project	Unknown
Agency contribution	Any costs for regular and standard maintenance of vehicles and equipment.
Audit Responsibility	Sierra County

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Joint Power Agreement	Elephant Butte
Participants	Sierra County Commission Sierra County Sherriff City of Elephant Butte
Responsible Party	Sierra County Commission Sierra County Sherriff City of Elephant Butte
Description	Provide law enforcement protection for the City of Elephant Butte.
Dates of agreement	Ongoing
Amount of project	City Elephant Butte will pay the sherriff's office \$20,600.00
Agency contribution	Unknown
Audit Responsibility	Sierra County

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Joint Power Agreement

Participants	Sierra County Dona Ana County
Responsible Party	Sierra County Dona Ana County
Description	For the purpose of constructing a portion of a roadway with both counties boundaries known as Kite Road.
Dates of agreement	Indefinite, can be terminated with 30 days notice.
Amount of project	Unknown
Agency contribution	Unknown
Audit Responsibility	Sierra County Dona Ana County

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Joint Power Agreement	JPA 79-521, 23-115
Participants	Sierra County State of New Mexico Energy, Minerals and Natural Resources Department
Responsible Party	Sierra County State of New Mexico Energy, Minerals and Natural Resources Department
Description	Wildfire suppression.
Dates of agreement	Indefinite
Amount of project	Unknown
Agency contribution	Unknown
Audit Responsibility	Sierra County

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Joint Power Agreement	Prisoner Care
Participants	Sierra County Sierra County Sherriff City of Truth or Consequences
Responsible Party	Sierra County Sierra County Sherriff City of Truth or Consequences
Description	Housing and care of adult prisoners
Dates of agreement	Indefinite
Amount of project	The City of Truth or Consequences shall pay Sierra County \$45 per day per prisoner.
Agency contribution	Unknown
Audit Responsibility	Sierra County

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Joint Power Agreement	Luna County
Participants	Sierra County Luna County
Responsible Party	Sierra County Luna County
Description	To provide for the use of the Luna County Juvenile Detention Facility to detain juveniles referred for detention from Sierra County
Dates of agreement	Ongoing
Amount of project	Sierra County shall pay \$85 per day per juvenile.
Agency contribution	Sierra County shall pay \$85 per day per juvenile.
Audit Responsibility	Sierra County Luna County

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Joint Power Agreement	Road Maintenance
Participants	Sierra County City of Elephant Butte
Responsible Party	Sierra County City of Elephant Butte
Description	Road and street maintenance with the incorporated boundaries of the City of Elephant Butte.
Dates of agreement	Ongoing
Amount of project	\$6,000 in equal quarterly payments.
Agency contribution	Cost of road and street maintenance.
Audit Responsibility	Sierra County City of Elephant Butte

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF VENDOR INFORMATION
FOR PURCHASES EXCEEDING \$ 60,000 (EXCLUDING GRT)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by Agency Staff Name: Jocelyn Holguin Title: Chief Procurement Officer, County of Sierra Date: 10/21/2015

RFB#/ RFP#/ State- Wide Price Agreement	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of All Vendor's that responded	In-State/ Out-Of-State Vendor (Y or N) Based on Statutory Definition)	Was Vendor in-state & Choose Vetern's Preferenc (Y or N)	Brief Description of the Scope of Work
1. ITB # 2015-04-003 Design Build 53,000 Gallon Pre- Engineered Water Storage Tank- Caballo VFDE	Invitation to Bid	Garrett Western	\$109,756.90	\$ -	1. Garrett Western P.O. Box 3245, T or C, NM 87901 2. Smith Co. 6 King Canyon Loop Caballo, NM 87931 3. American Stuctures, Inc. P.O. Box 409 Meomonie, WI 54751	1. Yes 2. Yes 3. No	N/a N/a N/a	Design/Build water storage water storage tank for Caballo VFD supplied with AWWA & NFPA 22 Requirements. 2. Not awarded 3. Not awarded
2. RFP# 2015-11-001 Construction Manager Services on behalf of the Sierra County Flood Commissioner	Request for Proposal	Multi Award 1. King Industries FEMA Consultants 2. Wilson & Co. Construction	Per Percentages/Per Project Via Task Order/ PW Hydro Seeding Project \$ 100,000.00 Per Quotations/Per Project Via Task Order/ PW	\$ -	1. King Industries P.O. Box 273 Alto, NM 88312 2. Wilson & Company 414 N. Main Street, Suite A Las Cruces, NM 88001 3. Progressive Construction Management 5301 Beverly Hills NE Albuquerque, NM 87113	1. Yes 2. Yes 3. Yes	N/a N/a N/a	1. FEMA Consultants- to work under the super vision of the Flood Commissioner 2. Construction Management Projects- None at this time 3. Not awarded
3. RFP# 2015-01-002 On-Call, On-Demand Flood Control Services on behalf of the Sierra County Flood Commissioner	Request for Proposal	Multi Award 1. Apple Mountain 2. Garrett Western 3. Hydro Seeding 3. Smith Co. 4. AJAC 5. Duran/ Bokich 6. Sierra Valley 7. Hydro Seeding 7. Renegade	0 0 PW00092 \$ 34,140.00 0 0 PW00188, PW00189, PW00190, PW00191, PW00192, \$ 327,892.61	\$ 8,859.99 \$ 47,609.26	Please, SEE BOTTOM Force Majeure- Weather Damage Force Majeure- Weather Damage	1. Yes 2. Yes 3. Yes 4. Yes 5. Yes 6. Yes 7. Yes	1. N/a 2. N/a 3. N/a 4. N/a 5. N/a 6. N/a 7. N/a	Multi Award to all (7) Contracts- Quote Packets are to be compiled per FEMA Related flood repair and midigation work. Each contractor may put in a quotation per packet or opt out. Work is awarded to lowest quote- maybe single or multi.
4. ITB # 2015-12-002 Las Palomas VFD New Truck Bay Building Addition	Invitation to Bid	TFC Construction	\$ 87,377.06	\$ -	1. TFC Construction, P.O. Box 4 La Joya NM 87028 2. Smith Co. 6 King Canyon Loop Caballo, NM 87931 3. C & E Industrial Services Inc. 103 Maguey Ct. Sundland Park, NM 880630	1. Yes 2. Yes 3. Yes	1. N/a 2. N/a 3. N/a	To build a pre-engineered truck bay addition for the Las Palomas, VFD
5. State Price Agreement Number: 41-805-13-10741 and 50-805-15-12624	General Services	Holly Frontier Refining & Marketing	\$ 62,161.16	\$ -	1. Holly Frontier Refining & Marketing, LLC P.O. Box 26743 Albuquerque, NM 87125	1. Yes	1. N/a	NM DOT FY 2013- 2014 Project for Road Department
3. RFP# 2015-01-002 On-Call, On-Demand Name and Physical Address of All Vendor's that responded: (7)					1. APPLE MOUNTAIN CONSTUCTORS 146 Camino Del Norte Estancia, NM 87016 2. GARRRET WESTERN PO Box 3245 Truth or Consequences, NM 87901 3. SMITH CO. 6 King Canyon Loop Caballo, New Mexico 87931 4. AJAC ENTERPRISES, INC 8359 Corona Loop, NE Albuquerque, NM 87113 5. DURAN BOKICH ENTERPRISES PO Box 1474 Elephant Butte, NM 87935 6. SIERRA VALLEY CONTRACTORS, LLC PO Box 3831 Truth or Consequences, NM 87901 7. RENEGADE CONSTRUCTION, LLC PO Box 830 Fairacers, NM 88033			

STATE OF NEW MEXICO
SIERRA COUNTY
TAX ROLL RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Amount</u>
Property taxes receivable, July 1, 2014	\$ 1,314,328
Net taxes charged to the Treasurer for 2014	7,745,733
Collections/Distributions/Changes	<u>(7,145,535)</u>
Property taxes receivable, June 30, 2015	<u>\$ 1,914,526</u>

**PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO
SIERRA COUNTY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF PERA
MUNICIPAL GENERAL DIVISION
FOR THE YEAR ENDED JUNE 30, 2015

<u>Public Employees Retirement Association (PERA) Plan:</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.2648%
County's proportionate share of the net pension liability (asset)	\$2,065,724
County's covered-employee payroll	\$2,051,630
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	100.69%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

STATE OF NEW MEXICO
SIERRA COUNTY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF PERA
MUNICIPAL POLICE DIVISION
FOR THE YEAR ENDED JUNE 30, 2015

<u>Public Employees Retirement Association (PERA) Plan:</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.2141%
County's proportionate share of the net pension liability (asset)	\$ 697,943
County's covered-employee payroll	\$ 507,426
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	137.55%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

**STATE OF NEW MEXICO
SIERRA COUNTY**

SCHEDULE OF CONTRIBUTIONS PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)
PLAN PERA MUNICIPAL GENERAL DIVISION
FOR THE YEAR ENDED JUNE 30, 2015

<u>PERA Fund Division</u>	<u>2015</u>
Contractually required contribution	\$ 179,001
Contributions in relation to the contractually required contribution	\$ 179,001
Contribution deficiency (excess)	-
County's covered-employee payroll	\$2,051,630
Contributions as a percentage of covered-employee payroll	8.72%

**STATE OF NEW MEXICO
SIERRA COUNTY**

SCHEDULE OF CONTRIBUTIONS PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)
PLAN PERA POLICE DIVISON
FOR THE YEAR ENDED JUNE 30, 2015

<u>PERA Fund Division</u>	<u>2015</u>
Contractually required contribution	\$ 79,174
Contributions in relation to the contractually required contribution	\$ 79,174
Contribution deficiency (excess)	-
County's covered-employee payroll	\$ 507,426
Contributions as a percentage of covered-employee payroll	15.60%

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

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

COMPLIANCE SECTION

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

Timothy Keller
New Mexico State Auditor
Board of Commissioners
Sierra County
Truth or Consequences, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds of Sierra County as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Sierra County's basic financial statements, and the combining and individual fund financial statements and related budgetary comparisons of the County presented as other supplementary information, and have issued our report thereon dated December 31, 2015.

Internal Control Over financial Reporting

In planning and performing our audit of the financial statements, we considered Sierra 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 Sierra 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 questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2015-002 and 2015-003 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 deficiencies described in the accompanying schedule of findings and questioned costs as item 2015-004 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sierra 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 disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2007-004 and 2015-001.

Sierra County's Responses to Findings

Sierra County's responses to the findings identified in our audit are described in the accompanying schedule of findings and question cost. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harshwal & Company LLP
Certified Public Accountants

Harshwal & Company LLP

Albuquerque, New Mexico
December 31, 2015

FEDERAL FINANCIAL ASSISTANCE

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*
INDEPENDENT AUDITOR'S REPORT**

Tim Keller
New Mexico State Auditor and
The Board of Commissioners
Sierra County
Truth or Consequences, New Mexico

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Harshwal & Company LLP
Certified Public Accountants

Harshwal & Company LLP

Albuquerque, New Mexico
December 31, 2015

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

<u>Federal Grantor or Pass-Through Grantor / Program Title</u>	<u>Federal CFDA</u>	<u>Federal Expenditures</u>
Department of Homeland Security		
Disaster Grants - Public Assistance	97.036	\$ <u>2,090,795</u>
Total Department of Homeland Security		<u>2,090,795</u>
Total Federal Financial Assistance		<u>\$ 2,090,795</u>

**STATE OF NEW MEXICO
SIERRA COUNTY**

**NOTES ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2015**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation

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

2. Sub recipients

The Sierra County did not provide any federal awards to sub recipients during the year.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,090,795
Total expenditures funded by other sources	<u>15,322,478</u>
Total expenditures	<u><u>\$17,413,273</u></u>

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|---|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| • Material weakness identified? | Yes |
| • Significant deficiencies identified not considered to be material weaknesses? | Yes |
| • Noncompliance material to financial statements noted? | No |

Federal Awards:

- | 1. Internal control over major programs: | | | | | |
|---|-------------------------------------|-----------------|--------|-------------------------------------|--|
| • Material weakness identified? | No | | | | |
| • Significant deficiencies identified not considered to be material weaknesses? | No | | | | |
| • Control deficiencies identified not considered to be significant deficiencies? | No | | | | |
| 2. Type of auditors' report issued on compliance for major programs | Unmodified | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | No | | | | |
| 4. Identification of major programs: | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">CFDA Number</th> <th style="text-align: left; border-bottom: 1px solid black;">Federal Program</th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">97.036</td> <td style="padding-left: 20px;">Disaster Grants - Public Assistance</td> </tr> </tbody> </table> | CFDA Number | Federal Program | 97.036 | Disaster Grants - Public Assistance | |
| CFDA Number | Federal Program | | | | |
| 97.036 | Disaster Grants - Public Assistance | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | 300,000 | | | | |
| 6. Auditee qualified as low-risk auditee? | No | | | | |

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II - AUDIT FINDING IN RELATION TO FINANCIAL STATEMENTS

2007-004 Property Tax Schedule (Other)-Repeated

Condition

The County Treasurer's property tax schedule does not include ten years of information in the format required by the New Mexico State Auditor.

The County's management is in process for implementing a new countywide data system to ensure this issue is resolved in subsequent years.

Criteria

Section 2.2.2.12D(2-3) of NMAC 2015 requires property tax information be presented in a specific format.

Cause

The County has been unable to compile the information in the requested format.

Effect

Records relating to amounts due to other taxing entities is not available in a by-year format, and the County has not complied with 2.2.2 NMAC 2015.

Recommendation

We recommend that the County compile the information necessary to comply with 2.2.2 NMAC 2015.

Management Response

Due to the county's antiquated financial and property tax data system, the county is unable to compile required information; therefore, the county is drafting an RFP for a new system.

Estimated Completion Date

The RFP draft should be complete and posted by January 30, 2016.

Conversion to a new countywide data system should be completed by February 2017, barring unforeseen conversion problems.

Responsible party

RFP- Procurement Officer

Funding- County Manager/Commission

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II - AUDIT FINDING IN RELATION TO FINANCIAL STATEMENTS - (CONT'D)

2015-001 Lack of performance Evaluation – Other Matters

Condition

During our audit procedure over 30 personnel files we noted that 2 employees did not have a performance evaluation during the year.

Criteria

Performance appraisals shall be completed on at least an annual basis per New Mexico State Personnel Board Rules and Regulations, 1.7.9.9 B NMAC, by the employee's anniversary date.

Cause

The performance appraisals were not completed due to oversight.

Effect

Without proper feedback, there is a possibility that employees could be performing their duties incorrectly, and without a documented evaluation it would be difficult for the County to correct this.

Recommendation

We recommend that the county should conduct and document performance evaluation for each employee.

Management Response

The county has directed all department heads and elected officials to complete and submit all performance evaluations by December 31, 2015. The county is also reviewing its performance evaluation policy for necessary changes. In addition, the county is providing training to all supervisors on the county's performance evaluation criteria and expectations.

Estimated Completion Date

Submission of all performance evaluations December 31, 2015

Policy Change March 2016

Training April 2016

Responsible party

County Manager and Human Resources Director

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II - AUDIT FINDING IN RELATION TO FINANCIAL STATEMENTS - (CONT'D)

2015-002 Trial Balance-Material Weakness

Condition

During our fieldwork, we noted that the County's trial balance was neither complete nor accurate. The initial trial balance that was provided for the audit required material adjustments to cash, accounts receivable, accounts payable, capital assets, long term debt, and fund balance/ net position.

Criteria

The Codification of Statements on Auditing Standards (SAS AU) paragraph 110.03 states that the financial statements are management's responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Cause

Due to the lack of internal controls and monitoring, the trial balance was inaccurate and incomplete.

Effect

When sufficient controls over account balances are not implemented and operating effectively, an entity's ability to prevent or detect a misstatement in its financial statements is limited.

Recommendation

We recommend the County incorporates processes and internal controls to ensure account balances are properly posted in order to be able to produce a complete and accurate trial balance.

Management Response

Due to the county's antiquated financial system, the county is unable to compile accurate records; therefore, the county is drafting an RFP for a new system. The county hired a new finance director, who will develop internal controls and monitoring practices

Estimated Completion Date

Internal controls and monitoring practices should be complete by April 2016

Conversion to a new countywide data system should be completed by February 2017, barring unforeseen conversion problems.

Responsible party

Internal Controls- Finance Director

RFP- Procurement

Funding- County Manager/Commission

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II - AUDIT FINDING IN RELATION TO FINANCIAL STATEMENTS - (CONT'D)

2015-003 Capital Assets – Material Weakness

Condition

During our audit procedure over capital asset inventory, we noted the following issues:

- The capital assets system was not being monitored or updated correctly during the fiscal year ending June 30, 2015.
- Accumulated depreciation was not properly being tracked and calculated by the County for fiscal year 2015.

Criteria

Section 2.20.1 of NMAC requires agencies to properly account for capital assets. The annual inventory requirement is described in Section 2.20.1.16 of the NMAC. The required capital asset accounting system is described in Section 2.20.1.8 of the NMAC and proper controls over the capital assets are described in Section 2.20.1.15 of the NMAC.

Cause

Lack of training and knowledge of governmental accounting, and a lack of management oversight in the area of capital asset acquisitions and recordings.

Effect

The lack of proper implementation of controls over capital assets may result in the financial statements being misstated.

Recommendation

We recommend that the County update their capital asset inventory software on a timely basis and implement the proper internal control system to monitor the capital asset listing.

Management Response

Due to the county's antiquated financial system, the county is unable to compile accurate records; therefore, the county is drafting an RFP for a new system. The county hired a new finance director, who will develop policies for capital assets, including monitoring and tracking, and properly calculating depreciation.

Estimated Completion Date

Internal controls and monitoring practices should be complete by April 2016
Conversion to a new countywide data system should be completed by February 2017, barring unforeseen conversion problems.

Responsible party

Internal Controls Finance Director
RFP- Procurement
Funding- County Manager/Commission

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II - AUDIT FINDING IN RELATION TO FINANCIAL STATEMENTS - (CONT'D)

2015-004 Late Audit Report- Significant Deficiency

Condition

The audit report was submitted to the State Auditor after the required deadline of November 1st, 2015. The audit report was submitted on January 13, 2016.

Criteria

Local public body audits, which includes Counties, are to be submitted to the State Auditor by November 1st, as required by NMAC 2.2.2.9(1)(c).

Cause

The County's accounts were not reconciled to the general ledger and supporting documentation.

Effect

The County is noncompliant with the State Auditor Rule pertaining to submission of audit reports.

Recommendation

The County should review their financial statements before the audit and compile all necessary information for the notes and schedules to the financial statements timely.

Management Response

Due to the county's antiquated financial system, the county is unable to compile and maintain accurate records; therefore, the county is drafting an RFP for a new system. The county hired a new finance director, who will develop appropriate internal controls and monitoring practices.

Estimated Completion Date

Conversion to a new countywide data system should be completed by February 2017,

Responsible party

Internal Controls- Finance Director

RFP- Procurement

STATE OF NEW MEXICO
SIERRA COUNTY
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FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION III - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2007-004(07-4) Property tax schedule (Other) - Repeated

2014-001 Subsidiary Ledger Reconciliations to the General Ledger (Other) - Resolved

2014-002 Authorization of Expenditures (Other) - Resolved

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

EXIT CONFERENCE

An exit conference was held on December 31, 2015, and attended by the following:

Sierra County

Bruce Swingle, County Manager

Ken Lyon, Chairman

Harshwal & Company LLP

Sanwar Harshwal, CPA, Managing Partner

Mariem Tall, Staff Auditor