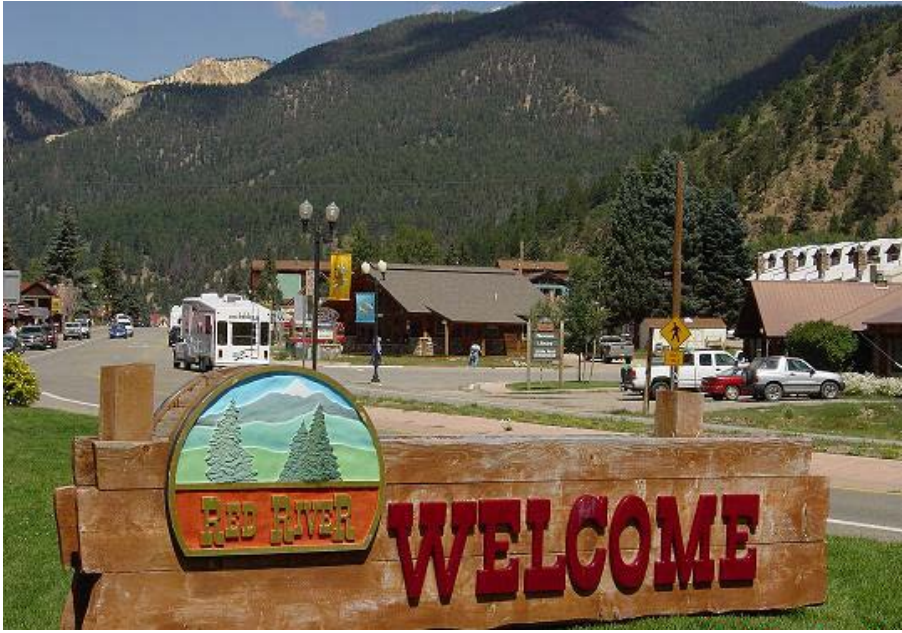


STATE OF NEW MEXICO

TOWN OF RED RIVER



ANNUAL FINANCIAL REPORT

JUNE 30, 2015

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
Town of Red River
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2015

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Town of Red River
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STATE OF NEW MEXICO
Town of Red River

OFFICIAL ROSTER
June 30, 2015

<u>Name</u>		<u>Title</u>
	<u>Town Council</u>	
Linda Calhoun		Mayor
George Woerndle		Mayor Pro Tem
Ben Richey		Council Member
Jeff Brown		Council Member
Steve Cherry		Council Member
	<u>Town Officials</u>	
Georgiana Rael		Town Administrator
Kelly Cherry		Clerk/Treasurer
Ron Burnham		Fire Chief
David Smith		Police Chief
Jack Griffin		Judge

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget and
The Governing Board
Town of Red River
Red River, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons of the general fund and the major special revenue funds of the Town of Red River (the "Town") as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the Town of Red River's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Town of Red River's nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service 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. We did not audit the 2014 Schedule of Employer Allocations and Pension Amounts of the State of New Mexico Public Employee Retirement Association (PERA), the administrator of the cost sharing pension plan for the Town. The schedules and statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town, is based solely on the report of the other auditors.

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 of material misstatement. An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town of Red River'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 Town of Red River'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.

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Opinions

In our opinion, based on our report and the report of the other auditors, 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 Town of Red River, as of June 30, 2015, and the respective changes in financial position 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 conformity 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 Town of Red River 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 project funds, debt service funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 13-20, the *Schedule of the Town's Proportionate Share of the Net Pension Liability of PERA Fund Divisions* on pages 119-121, the *Schedule of Contributions* on pages 122-124, and the notes to required supplementary information on page 125 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 Town of Red River's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules as required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The other schedules required by 2.2.2 NMAC are the responsibility of management and was derived from and relates 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 statement 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 auditing standards generally accepted in the United States of America. In our opinion, the other schedules as required by 2.2.2 NMAC are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

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

Precision Accounting, LLC

Precision Accounting, LLC
Albuquerque, New Mexico
October 1, 2015

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STATE OF NEW MEXICO
Town of Red River
Management's Discussion and Analysis
for the Year Ended June 30, 2015
Unaudited

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

FINANCIAL HIGHLIGHTS

- The assets of the Town of Red River exceeded its liabilities at the close of the most recent fiscal year by \$7,519,205(*net position*). Of this amount, \$(795,981) (*unrestricted*) is impacted by the net pension liability and the net investment in capital assets.
- The government's total net position increased by \$246,653 during the fiscal year. The majority of this increase is due to an increase in grants for governmental activities.
- As of June 30, 2015, the Town's governmental funds reported combined ending fund balances of \$1,851,326. Of this total, \$432,632 is restricted for capital projects, \$527,272 is restricted for special revenue funds and \$14,763 is restricted for debt service funds.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Red River's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of Red River's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Red River is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Red River that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Red River include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the Town include Sewer/AWWT, Solid Waste, and Water.

The government-wide financial statements can be found at Exhibits A-1 and A-2 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Red River, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Red River can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

STATE OF NEW MEXICO
Town of Red River
Management's Discussion and Analysis
for the Year Ended June 30, 2015
Unaudited

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the Town's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Red River maintains twenty-two individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, 911 Grant Fund, Fire Protection Fund, Lodgers' Tax Fund, and Grants Capital Projects Fund, all of which are considered to be major funds. Data from the other seventeen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Red River adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund, 911 Grant Fund, Fire Protection Fund, Lodgers' Tax Fund, and Grants Capital Projects Fund, to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found at exhibits B-1 through D-3 of this report.

Proprietary funds. Proprietary funds are generally used to account for services for which the Town charges customers either outside customers or internal units or departments of the Town. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The Town maintains three types of proprietary funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Red River's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51-72 of this report.

Combining statements. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 82-115 of this report.

STATE OF NEW MEXICO
Town of Red River
Management's Discussion and Analysis
for the Year Ended June 30, 2015
Unaudited

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB #34), *Basic Financial Statements –and Management's Discussion and Analysis (MD&A) -for State and Local Governments*.

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Red River, assets exceeded liabilities by \$7,519,205 at the close of the current fiscal year.

The largest portion of the Town of Red River's net position represents the Town's investment of \$7,428,596 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment); less any related outstanding debt used to acquire those assets. The Town of Red River uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Red River's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position
For the Year Ended June 30, 2015 and June 30, 2014

	June 30, 2015			June 30, 2014		
	Governmental	Business Type	Total	Governmental	Business Type	Total
Assets						
Current and other assets	\$ 2,121,384	\$ 410,268	\$ 2,531,652	\$ 2,010,084	\$ 336,067	\$ 2,346,151
Capital assets, net of accumulated depreciation	6,340,794	1,510,644	7,851,438	6,446,764	1,567,159	8,013,923
Deferred outflows of resources	159,522	-	159,522	-	-	-
Total Assets	8,621,700	1,920,912	10,542,612	8,456,848	1,903,226	10,360,074
Liabilities						
Long-term liabilities outstanding	2,054,550	17,062	2,071,612	586,205	22,584	608,789
Other Liabilities	261,285	27,449	288,734	299,992	95,350	395,342
Total Liabilities	2,315,835	44,511	2,360,346	886,197	117,934	1,004,131
Deferred Inflows of Resources	663,061	-	663,061	71,864	-	71,864
Net Position						
Net investment in capital assets	5,917,952	1,510,644	7,428,596	5,808,942	1,567,159	7,376,101
Restricted	886,590	-	886,590	1,071,072	-	1,071,072
Unrestricted	(1,161,738)	365,757	(795,981)	618,773	218,133	836,906
Total Net Position	5,642,804	1,876,401	7,519,205	7,498,787	1,785,292	9,284,079
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 8,621,700	\$ 1,920,912	\$ 10,542,612	\$ 8,456,848	\$ 1,903,226	\$ 10,360,074

STATE OF NEW MEXICO
Town of Red River
Management's Discussion and Analysis
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A portion of the Town of Red River's net position represents resources that are subject to restrictions. The restrictions relate to capital projects and debt service.

At the end of the current fiscal year, the Town of Red River is able to report positive balances in all of the categories of net position, for the government as a whole as well as for the business-type activities.

The Town of Red River's net position increased by \$246,653 during the current fiscal year. This increase is explained in the government and business-type activities discussion below and is primarily a result of an increase in expenditures.

Changes in Net Position
For the Year Ended June 30, 2015

	Governmental Activities	Business Type Activities	Total
<u>Revenue</u>			
Program revenue			
Charges for Service	\$ 1,212,084	\$ 1,334,117	\$ 2,546,201
Operating grants and contributions	549,001	-	549,001
Capital Grants	122,762	-	122,762
General Revenue			
Property Tax	334,987	-	334,987
Franchise Tax	49,953	-	49,953
Gross Receipts Tax	1,426,795	-	1,426,795
Public Service Tax	704,156	-	704,156
Miscellaneous	(49)	1,038	989
Total Revenue	\$ 4,399,689	\$ 1,335,155	\$ 5,734,844
<u>Expenses</u>			
General Government	745,581	-	745,581
Public Safety	1,465,692	-	1,465,692
Public Works	350,945	-	350,945
Culture and Recreation	980,937	-	980,937
Health and Welfare	448,030	-	448,030
Interest on Long-term debt	170,457	-	170,457
Business-type activities	-	1,326,549	1,326,549
Total Expenses	\$ 4,161,642	\$ 1,326,549	\$ 5,488,191
(Decrease) Increase in Assets before transfer	238,047	8,483	246,653
Transfers	(14,540)	14,540	-
(Decrease) Increase in Net Position	223,507	23,146	246,653
Net Position, Beginning of year	7,498,787	1,785,292	9,284,079
Restatement for Net Pension Liability	(2,125,478)	-	(2,125,478)
Restatement for Capital Assets	45,988	67,963	113,951
Ending Net Position	\$ 5,642,804	\$ 1,876,401	\$ 7,519,205

STATE OF NEW MEXICO
Town of Red River
Management's Discussion and Analysis
for the Year Ended June 30, 2015
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Governmental activities: Governmental activities increased the Town of Red River's net position by \$238,047. The key element of this decrease was revenue exceeded expenses.

Business-type activities: Business-type activities increased the Town's net position by 8,606. The key element of this increase was the due to the revenue exceeded expenses.

Changes in Net Position
For the Year Ended June 30, 2014

	Governmental Activities	Business Type Activities	Total
<u>Revenue</u>			
Program revenue			
Charges for Service	\$ 1,098,619	\$ 1,190,831	\$ 2,289,450
Operating grants and contributions	675,885	-	675,885
Capital Grants	651,945	-	651,945
General Revenue			
Property Tax	364,623	-	364,623
Franchise Tax	89,203	-	89,203
Gross Receipts Tax	1,355,902	-	1,355,902
Motor Vehicle & Fuel Tax	663,521	-	663,521
Miscellaneous	21,303	9,317	30,247
Total Revenue	\$ 4,921,001	\$ 1,200,148	\$ 6,120,776
<u>Expenses</u>			
General Government	1,123,914	-	1,123,914
Public Safety	1,609,317	-	1,609,317
Culture and Recreation	1,057,235	-	1,057,235
Health and Welfare	441,570	-	441,570
Public Works	744,159	-	744,159
Interest on Long-term debt	10,491	-	10,491
Business-type activities	-	1,191,931	1,191,931
Total Expenses	\$ 4,986,686	\$ 1,191,931	\$ 6,178,617
(Decrease) Increase in Assets before transfer	(65,685)	8,217	(57,468)
Transfers	-	-	-
(Decrease) Increase in Net Position	(65,685)	8,217	(57,468)
Net Position, Beginning of year	7,577,658	1,775,075	9,354,733
Restatement	(13,186)	-	(13,186)
Ending Net Position	\$ 7,498,787	\$ 1,785,292	\$ 9,284,079

STATE OF NEW MEXICO
Town of Red River
Management's Discussion and Analysis
for the Year Ended June 30, 2015
Unaudited

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town of Red River uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town of Red River's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Red River's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The types of Governmental funds reported by the Town include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

As of the end of the current fiscal year, the Town of Red River's governmental funds reported combined ending fund balances of \$1,851,326, an increase of \$87,475 in comparison with the prior year. \$743,794 constitutes *unreserved fund balance*, which is available for spending at the government's discretion.

Revenues for governmental activities overall totaled \$4,439,124 in the fiscal year ended June 30, 2015, which represents a decrease of \$482,773 from the fiscal year ended June 30, 2014. Expenditures for governmental activities, totaling \$4,337,108, decreased by \$542,058 from the fiscal year ended June 30, 2014. In the fiscal year ended June 30, 2015, revenues exceeded expenditures by \$102,015.

The General Fund is the chief operating fund of the Town of Red River. At the end of the current fiscal year, *unreserved* fund balance of the general fund was \$793,445, while total fund balance was \$926,310.

The fund balance of the Town of Red River's general fund increased by \$51,242 during the current fiscal year due to revenues in excess of expenditures. Overall, the general fund's performance in the fiscal year ended June 30, 2015 is due to the increase in state grants and miscellaneous income.

911 Grant Fund. The 911 Grant Fund has a fund balance of \$971. No change in fund balance for the year since revenue was expensed once received.

Fire Protection Fund. The Fire Protection Fund has a fund balance of \$73,168. The net increase in fund balance was \$10,096 for the year. The increase was due to an increase in state grants.

Lodgers' Tax Fund. The Lodgers' Tax Fund has a fund balance of \$179,575. The net increase in fund balance was \$43,025. The decrease was due to an increase in expenditures.

Grants Fund. The Grants Fund has a fund deficit of \$(49,651). The deficit increased by \$38,388 compared to the fiscal year ended June 30, 2014.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position for Sewer, Solid Waste, and Water funds were \$120,032, \$204,628, and \$41,097, respectively. The change in net position for the proprietary funds was \$8,606. Factors concerning the finances of this fund have been addressed previously in the discussion of the Town's business-type activities.

STATE OF NEW MEXICO
Town of Red River
Management's Discussion and Analysis
for the Year Ended June 30, 2015
Unaudited

General Fund Budgetary Highlights

The Town budgets reflect the same pattern as seen in the revenue and expenditures of the Town. The State of New Mexico budget process is defined under state law and regulation. To enhance the process of developing a budget at the Town level, the Town of Red River utilizes goals and objectives defined by the Town Councilors, community input meetings, long-term plans and input from various staff groups to develop the Town budget. The Town priorities are well defined through this process.

GASB Statement No. 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

General Fund Expenditure Budget Performance

Final Budget	Actual non-GAAP Cash Basis	Favorable (Unfavorable) Variance
\$2,012,440	\$1,768,797	\$243,643

The Town's final budget differs from the original budget due to budget increases and decreases that were made during the fiscal year.

The Capital Project Funds are included in the original budget which is submitted to the Department of Finance and Administration (DFA). These funds are spent on a project-by-project basis so the budgets are constantly changing. Instead, the budgets for these funds are created during the year through budget adjustment requests (BARs).

Capital Asset and Debt Administration

Capital assets. The Town of Red River's capital assets for its governmental and business-type activities as of June 30, 2015 amount to \$7,851,438 (net of accumulated depreciation). Capital assets include land, infrastructure, buildings, and machinery & equipment. The total decrease in the Town's capital assets (excluding accumulated depreciation) for the current fiscal year was \$220,329 for governmental activities due primarily to disposition of equipment and vehicles and reclassification of assets during the year. There was an increase (excluding accumulated depreciation) in business-type capital assets in the amount of \$14,540 during the current fiscal year.

Capital Assets, Net of Depreciation
June 30, 2015

	Governmental Activities	Business Type Activities	Total
Land	\$ 2,176,627	\$ -	\$ 2,176,627
Buildings & Improvements	4,236,080	8,083,014	12,319,094
Equipment	2,213,892	368,476	2,582,368
Vehicles	2,289,122	433,246	2,722,368
Infrastructure	2,581,131	-	2,581,131
Total capital assets	13,496,852	8,884,736	22,381,588
Accumulated depreciation	(7,156,058)	(7,374,092)	(14,530,150)
Capital assets, net of accumulated depreciation	<u>\$ 6,340,794</u>	<u>\$ 1,510,644</u>	<u>\$ 7,851,438</u>

STATE OF NEW MEXICO
Town of Red River
Management's Discussion and Analysis
for the Year Ended June 30, 2015
Unaudited

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 7 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

Debt Administration. At the end of the current fiscal year, the Town of Red River had total debt obligations outstanding of \$502,287, of this \$75,100 is current portion of debt. There are no general obligation bonds as the \$175,000 balance was retired as of June 30, 2015.

Outstanding Debt
As of June 30, 2015

	Governmental Activities	Business Type Activities	Total
NMFA notes	\$ 422,842	-	\$ 422,842
Accrued compensated absences	58,433	21,012	79,445
Total long-term liabilities	<u>\$ 481,275</u>	<u>\$ 21,012</u>	<u>\$ 502,287</u>

Long-term debt additions and retirements related to revenue bonds and loans for governmental activities for the current year were \$39,787 and \$236,876, respectively. Accrued compensated absences additions and retirements were \$24,598 and \$49,731, respectively, for governmental activities. Business type activities accrued compensated absences additions and retirements were \$8,630 and \$14,686, respectively.

See Note 8 in the accompanying Notes to the Financial Statements for further information regarding the Town of Red River's long-term debt.

Economic Factors and Next Year's Budgets and Rates

Inflationary trends in the region compare favorably to national indices.

The above factors were considered in preparing the Town of Red River's budget for the 2015 fiscal year. There are no currently known facts, decisions, or conditions that are expected to have a significant effect or impact on the Town's financial position or results of operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Red River's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Town of Red River Administration, Town of Red River, P.O. Box 1020, Red River, New Mexico, 87558.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF NET POSITION
June 30, 2015

Exhibit A-1

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,802,494	\$ 288,284	\$ 2,090,778
Investments	131,489	22,912	154,401
Taxes receivable	82,329	-	82,329
Accounts receivable	105,072	99,072	204,144
	<u>2,121,384</u>	<u>410,268</u>	<u>2,531,652</u>
Total Current Assets			
Noncurrent Assets			
Capital assets	13,496,852	8,884,736	22,381,588
Less: accumulated depreciation	<u>(7,156,058)</u>	<u>(7,374,092)</u>	<u>(14,530,150)</u>
	<u>6,340,794</u>	<u>1,510,644</u>	<u>7,851,438</u>
Total Noncurrent Assets			
Deferred Outflows of Resources			
Change in Assumptions in Net Pension Liability	11,519	-	11,519
Post Measurement Date Contributions	<u>148,003</u>	<u>-</u>	<u>148,003</u>
	<u>159,522</u>	<u>-</u>	<u>159,522</u>
Total Deferred Outflows of Resources			
Total Assets and Deferred Outflows of Resources	<u>\$ 8,621,700</u>	<u>\$ 1,920,912</u>	<u>\$ 10,542,612</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF NET POSITION
June 30, 2015

Exhibit A-1

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 91,361	\$ 8,977	\$ 100,338
Accrued salaries and wages	96,368	13,030	109,398
Accrued interest	2,406	-	2,406
Accrued compensated absences	8,775	3,950	12,725
Unearned Revenue	-	1,492	1,492
Current portion of bonds and loans payable	62,375	-	62,375
Total Current Liabilities	261,285	27,449	288,734
Noncurrent Liabilities			
Bonds payable	-	-	-
Accrued Compensated Absences	49,658	17,062	66,720
Loans and notes payable	360,467	-	360,467
Net Pension Liability	1,644,425	-	1,644,425
Total Noncurrent Liabilities	2,054,550	17,062	2,071,612
Total Liabilities	2,315,835	44,511	2,360,346
Deferred Inflows of Resources			
Unavailable revenue-property taxes	82,329	-	82,329
Actuarial Experience in Net Pension Liability	-	-	-
Investment Experience in Net Pension Liability	560,814	-	560,814
Change in Assumptions in Net Pension Liability	19,918	-	19,918
Total Deferred Inflows of Resources	663,061	-	663,061
Net Position			
Net Investment in Capital Assets	5,917,952	1,510,644	7,428,596
Restricted for:			
Debt Service	204,021	-	204,021
Capital Project Funds	330,222	-	330,222
Special Revenue Funds	352,347	-	352,347
Unrestricted	(1,161,738)	365,757	(795,981)
Total Net Position	5,642,804	1,876,401	7,519,205
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 8,621,700	\$ 1,920,912	\$ 10,542,612

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF ACTIVITIES
For the Year Ending June 30, 2015

Exhibit A-2

<u>Functions/Programs</u>	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary Government			
General government	\$ 745,581	\$ 516,331	\$ 110,496
Public safety	1,465,692	396,956	100,635
Public works	350,945	45	332,039
Culture and recreation	980,937	1,406	(2,170)
Health and welfare	448,030	297,346	8,001
Interest on long-term debt	170,457	-	-
<i>Total governmental activities</i>	<u>4,161,642</u>	<u>1,212,084</u>	<u>549,001</u>
Business-type Activities:			
Sewer/AWWT	575,485	500,994	-
Solid Waste	332,460	405,483	-
Water	418,604	427,640	-
<i>Total business type activities</i>	<u>1,326,549</u>	<u>1,334,117</u>	<u>-</u>
<i>Total</i>	<u><u>\$ 5,488,191</u></u>	<u><u>\$ 2,546,201</u></u>	<u><u>\$ 549,001</u></u>
General Revenues:			
Taxes			
Property taxes, levied for general purposes			
Franchise taxes			
Gross receipts taxes			
Public service taxes			
Interest income			
Transfers			
Miscellaneous income			
Total General Revenues and Transfers			
Excess (deficiency) of revenues over expenses			
Change in net position			
Net position, beginning			
Restatement for Net Pension Liability			
Restatement for Capital Assets			
Net position-beginning as restated			
Net position, ending			

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF ACTIVITIES
For the Year Ending June 30, 2015

Exhibit A-2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
<u>Capital Grants and Contributions</u>	<u>Government Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ 25,315	\$ (93,439)	\$ -	\$ (93,439)
-	(968,101)	-	(968,101)
3,852	(15,009)	-	(15,009)
93,595	(888,106)	-	(888,106)
-	(142,683)	-	(142,683)
-	(170,457)	-	(170,457)
<u>122,762</u>	<u>(2,277,795)</u>	<u>-</u>	<u>(2,277,795)</u>
-	-	(74,491)	(74,491)
-	-	73,023	73,023
-	-	9,036	9,036
<u>-</u>	<u>-</u>	<u>7,568</u>	<u>7,568</u>
<u>\$ 122,762</u>	<u>\$ (2,277,795)</u>	<u>\$ 7,568</u>	<u>\$ (2,270,227)</u>
	334,987	-	334,987
	49,953	-	49,953
	1,426,795	-	1,426,795
	704,156	-	704,156
	250	123	373
	(14,540)	14,540	-
	(299)	915	616
	<u>2,501,302</u>	<u>15,578</u>	<u>2,516,880</u>
	223,507	23,146	246,653
	<u>223,507</u>	<u>23,146</u>	<u>246,653</u>
	7,498,787	1,770,752	9,269,539
	(2,125,478)	-	(2,125,478)
	<u>45,988</u>	<u>82,503</u>	<u>128,491</u>
	5,419,297	1,853,255	7,272,552
	<u>\$ 5,642,804</u>	<u>1,876,401</u>	<u>\$ 7,519,205</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	<u>General Fund</u>	<u>911 Grant Fund</u>	<u>Fire Protection Fund</u>	<u>Lodgers' Tax Fund</u>
<i>Assets</i>				
Cash and cash equivalents	906,759	\$ 971	\$ 29,116	\$ 153,589
Investments	-	-	44,539	-
Accounts and taxes receivable	103,260	-	-	-
Other receivables	-	-	-	64,899
Due from other funds	50,532	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 1,060,551</u>	<u>\$ 971</u>	<u>\$ 73,655</u>	<u>\$ 218,488</u>
<i>Liabilities and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 14,575	\$ -	\$ 487	\$ 38,913
Accrued salaries and benefits	37,337	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>51,912</u>	<u>-</u>	<u>487</u>	<u>38,913</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue-property taxes	82,329	-	-	-
<i>Total deferred inflows of resources</i>	<u>82,329</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>				
Fund Balance				
Restricted for:				
General Fund	-	-	-	-
Special Revenue Funds	-	971	73,168	179,575
Capital Projects Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Committed for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Assigned for:				
General Fund	132,865	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Unassigned for:				
General Fund	793,445	-	-	-
<i>Total fund balances</i>	<u>926,310</u>	<u>971</u>	<u>73,168</u>	<u>179,575</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,060,551</u>	<u>\$ 971</u>	<u>\$ 73,655</u>	<u>\$ 218,488</u>

Grants Capital Projects Fund	Other Governmental Funds	Total
\$ -	\$ 712,059	\$ 1,802,494
-	86,950	131,489
-	760	104,020
-	18,482	83,381
-	-	50,532
-	-	-
<u>\$ -</u>	<u>\$ 818,251</u>	<u>\$ 2,171,916</u>
\$ 1,500	\$ 39,423	\$ 94,898
-	55,494	92,831
-	-	-
<u>48,151</u>	<u>2,381</u>	<u>50,532</u>
<u>49,651</u>	<u>\$ 97,298</u>	<u>238,261</u>
-	-	82,329
-	-	<u>82,329</u>
-	-	-
-	273,558	527,272
-	432,632	432,632
-	14,763	14,763
-	-	-
-	-	-
-	-	-
-	-	132,865
-	-	-
-	-	-
<u>(49,651)</u>	<u>-</u>	<u>743,794</u>
<u>(49,651)</u>	<u>720,953</u>	<u>1,851,326</u>
<u>\$ -</u>	<u>\$ 818,251</u>	<u>\$ 2,171,916</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
GOVERNMENTAL FUNDS
RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF POSITION
June 30, 2015

Amounts reported for governmental activities in the statements of net position are different because:

Fund balances - total governmental funds	\$	1,851,326
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		6,340,794
Other long-term assets are not available to pay for current period expenditures and therefore, are liabilities in the funds:		
Accrued interest and compensated absences		(11,181)
Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and, therefore, are not reported in the funds		<u>(2,538,135)</u>
Net position of governmental activities	\$	<u><u>5,642,804</u></u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ending June 30, 2015

	<u>General Fund</u>	<u>911 Grant Fund</u>	<u>Fire Protection Fund</u>	<u>Lodgers' Tax Fund</u>
<i>Revenues:</i>				
Taxes	\$ 1,274,006	\$ -	\$ -	\$ 682,316
State Grants	107,440	-	78,235	-
Federal Grants	-	-	-	-
Charges for Services	230,494	-	-	-
Licenses and Fees	182,622	-	-	-
Investment Income (Loss)	-	-	-	-
Miscellaneous	29,906	-	-	-
Total Revenues	<u>1,824,468</u>	<u>-</u>	<u>78,235</u>	<u>682,316</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	583,616	-	-	-
Public Safety	923,155	-	68,139	-
Public Works	-	-	-	20,000
Culture and Recreation	63,635	-	-	367,291
Health and Welfare	176,391	-	-	-
Capital Outlay	7,889	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>1,754,686</u>	<u>-</u>	<u>68,139</u>	<u>387,291</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>69,782</u>	<u>-</u>	<u>10,096</u>	<u>295,025</u>
<i>Other financing sources (uses)</i>				
Transfers In	-	-	-	-
Transfers Out	<u>(18,540)</u>	<u>-</u>	<u>-</u>	<u>(252,000)</u>
<i>Total other financing sources (uses)</i>	<u>(18,540)</u>	<u>-</u>	<u>-</u>	<u>(252,000)</u>
<i>Net change in fund balance</i>	51,242	-	10,096	43,025
<i>Fund balance - beginning of year</i>	<u>875,068</u>	<u>971</u>	<u>63,072</u>	<u>136,550</u>
<i>Fund balance - end of year</i>	<u><u>\$ 926,310</u></u>	<u><u>\$ 971</u></u>	<u><u>\$ 73,168</u></u>	<u><u>\$ 179,575</u></u>

Grants Capital Projects Fund	Other Governmental Funds	Total
\$ -	\$ 559,569	\$ 2,515,891
283,482	130,571	599,728
-	-	-
-	389,329	619,823
105	13,988	196,715
-	250	250
-	476,811	506,717
<u>283,587</u>	<u>1,570,518</u>	<u>4,439,124</u>
-	135,942	719,558
-	471,410	1,462,704
245,199	262,582	527,781
-	537,285	968,211
-	237,859	414,250
-	-	7,889
-	52,000	52,000
-	184,715	184,715
<u>245,199</u>	<u>1,881,793</u>	<u>4,337,108</u>
<u>38,388</u>	<u>(311,275)</u>	<u>102,016</u>
-	261,259	261,259
-	(5,259)	(275,799)
-	256,000	(14,540)
38,388	(55,275)	87,476
<u>(88,039)</u>	<u>776,228</u>	<u>1,763,850</u>
<u>\$ (49,651)</u>	<u>\$ 720,953</u>	<u>\$ 1,851,326</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
RECONCILIATION OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ending June 30, 2015

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

Net change in fund balances - total governmental funds	\$	87,476
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Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures		217,365
Depreciation expense		(456,858)

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

Change in Deferred inflows/outflows for Net Pension Liability		59,017
Decrease in accrued compensated absences		33,918
Decrease in accrued interest		5,926
Proceeds from debt issuance		39,787
Principal payments on Notes payable		61,876
Principal payments on Bonds payable		175,000
		175,000

Change in net position of governmental activities	\$	223,507
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STATE OF NEW MEXICO
TOWN OF RED RIVER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 1,263,887	\$ 1,263,887	\$ 1,353,824	\$ 89,937
State Grants	139,280	139,280	107,440	(31,840)
Charges For Services	238,954	238,954	230,494	(8,460)
Licenses and Fees	190,750	190,750	201,298	10,548
Interest Income	-	-	-	-
Investment Income(Loss)	5,000	5,000	-	(5,000)
Miscellaneous	107,000	107,000	31,444	(75,556)
<i>Total revenues</i>	1,944,871	1,944,871	1,924,500	(20,371)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	605,773	605,773	577,464	28,309
Public Safety	943,127	950,127	923,425	26,702
Public Works	-	-	-	-
Culture and Recreation	73,460	73,460	65,022	8,438
Health and Welfare	203,080	203,080	180,457	22,623
Capital Outlay	180,000	180,000	22,429	157,571
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	2,005,440	2,012,440	1,768,797	243,643
<i>Excess (deficiency) of revenues over expenditures</i>	(60,569)	(67,569)	155,703	223,272
<i>Other financing sources (uses)</i>				
Designated Cash	60,569	67,569	-	(67,569)
Transfers In	(4,000)	(4,000)	(4,000)	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	56,569	63,569	(4,000)	(67,569)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	(4,000)	(4,000)	151,703	155,703
<i>Cash Balance - Beginning of Year</i>	-	-	809,032	809,032
<i>Cash Balance - End of Year</i>	\$ (4,000)	\$ (4,000)	\$ 960,735	\$ 964,735
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 151,703	
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			(172,216)	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			71,755	
Net change in Fund Balances (GAAP basis)			\$ 51,242	

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STATE OF NEW MEXICO
TOWN OF RED RIVER
911 GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	10,000	10,000	-	(10,000)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	10,000	10,000	-	(10,000)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	10,000	10,000	-	10,000
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	10,000	10,000	-	10,000
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	971	971
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 971	\$ 971
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balances (GAAP Basis)			\$ -	

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STATE OF NEW MEXICO
TOWN OF RED RIVER
FIRE PROTECTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	77,876	77,876	78,235	359
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>77,876</u>	<u>77,876</u>	<u>78,235</u>	<u>359</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	143,241	143,241	114,125	29,116
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>143,241</u>	<u>143,241</u>	<u>114,125</u>	<u>29,116</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(65,365)</u>	<u>(65,365)</u>	<u>(35,890)</u>	<u>29,475</u>
<i>Other financing sources (uses)</i>				
Designated Cash	65,365	65,365	-	(65,365)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>65,365</u>	<u>65,365</u>	<u>-</u>	<u>(65,365)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(35,890)	(35,890)
<i>Cash Balance - Beginning of Year</i>	-	-	109,545	109,545
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,655</u>	<u>\$ 73,655</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (35,890)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			<u>45,986</u>	
Net change in fund balances (GAAP Basis)			<u>\$ 10,096</u>	

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STATE OF NEW MEXICO
TOWN OF RED RIVER
LODGERS' TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 609,000	\$ 609,000	\$ 677,202	\$ 68,202
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	609,000	609,000	677,202	68,202
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	20,000	20,000	20,000	-
Culture and Recreation	462,000	462,000	355,174	106,826
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	482,000	482,000	375,174	106,826
<i>Excess (deficiency) of revenues over expenditures</i>	127,000	127,000	302,028	175,028
<i>Other financing sources (uses)</i>				
Designated Cash	103,000	103,000	-	(103,000)
Transfers Out	(230,000)	(230,000)	(252,000)	(22,000)
Transfers In	-	-	-	-
<i>Total other financing sources (uses)</i>	(127,000)	(127,000)	(252,000)	(125,000)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	50,028	50,028
<i>Cash Balance - Beginning of Year</i>	-	-	103,561	103,561
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 153,589	\$ 153,589
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 50,028	
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			5,114	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(12,117)	
Net change in Fund Balances (GAAP Basis)			\$ 43,025	

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STATE OF NEW MEXICO
TOWN OF RED RIVER
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2015

	Sewer/AWWT Fund	Solid Waste Fund	Water Fund	Total
<i>Assets</i>				
<i>Current assets</i>				
Cash	\$ 100,343	\$ 185,378	\$ 25,475	\$ 311,196
Accounts receivable (less allowance for doubtful accounts of \$8,242, \$5,857 and \$6,653)	39,103	31,146	28,823	99,072
<i>Total current assets</i>	<u>139,446</u>	<u>216,524</u>	<u>54,298</u>	<u>410,268</u>
<i>Capital assets</i>				
Capital assets	6,758,096	568,863	1,557,777	8,884,736
Accumulated depreciation	(5,571,052)	(552,385)	(1,250,655)	(7,374,092)
<i>Total Capital assets</i>	<u>1,187,044</u>	<u>16,478</u>	<u>307,122</u>	<u>1,510,644</u>
<i>Total Assets</i>	<u>\$ 1,326,490</u>	<u>\$ 233,002</u>	<u>\$ 361,420</u>	<u>\$ 1,920,912</u>
<i>Liabilities and Net Position</i>				
<i>Liabilities:</i>				
<i>Current liabilities</i>				
Accounts payable	\$ 5,578	\$ 843	\$ 2,958	\$ 9,379
Accrued salaries and benefits	5,304	3,454	5,362	14,120
Accrued compensated absences	2,134	824	992	3,950
<i>Total current liabilities</i>	<u>13,016</u>	<u>5,121</u>	<u>9,312</u>	<u>27,449</u>
<i>Noncurrent liabilities</i>				
Accrued compensated absences payable	6,398	6,775	3,889	17,062
<i>Total noncurrent liabilities</i>	<u>6,398</u>	<u>6,775</u>	<u>3,889</u>	<u>17,062</u>
<i>Total liabilities</i>	<u>19,414</u>	<u>11,896</u>	<u>13,201</u>	<u>44,511</u>
<i>Net Position:</i>				
Net Investment in Capital Assets	1,187,044	16,478	307,122	1,510,644
Unrestricted				
Unrestricted, undesignated	120,032	204,628	41,097	365,757
<i>Total net position</i>	<u>1,307,076</u>	<u>221,106</u>	<u>348,219</u>	<u>1,876,401</u>
<i>Total Liabilities and Net Position</i>	<u>\$ 1,326,490</u>	<u>\$ 233,002</u>	<u>\$ 361,420</u>	<u>\$ 1,920,912</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
 For the Year Ended June 30, 2015

	Sewer/AWWT Fund	Solid Waste Fund	Water Fund	Total
<i>Operating revenues:</i>				
Charges for services	\$ 500,994	\$ 405,483	\$ 428,555	\$ 1,335,032
<i>Total operating revenues</i>	<u>500,994</u>	<u>405,483</u>	<u>428,555</u>	<u>1,335,032</u>
<i>Operating expenses:</i>				
Operating Expenses	172,482	191,792	113,524	477,798
Travel	1,110	21,547	6,418	29,075
Gross Receipts Tax	20,646	-	14,966	35,612
Depreciation	99,886	4,169	34,963	139,018
Purchases for Resale	-	7,600	-	7,600
Contract Services	8,864	-	5,358	14,222
Salaries	243,364	106,551	240,107	590,022
Supplies	29,133	801	3,268	33,202
<i>Total operating expenses</i>	<u>575,485</u>	<u>332,460</u>	<u>418,604</u>	<u>1,326,549</u>
<i>Operating income (loss)</i>	<u>(74,491)</u>	<u>73,023</u>	<u>9,951</u>	<u>8,483</u>
<i>Non-operating revenues (expenses):</i>				
Interest Income	123	-	-	123
Interest expense	-	-	-	-
Transfers	42,362	-	(27,822)	14,540
<i>Total non-operating revenues (expenses)</i>	<u>42,485</u>	<u>-</u>	<u>(27,822)</u>	<u>14,663</u>
<i>Change in net position</i>	(32,006)	73,023	(17,871)	23,146
<i>Total net position, beginning of year</i>	1,462,984	176,869	145,439	1,785,292
<i>Restatement</i>	(123,902)	(28,786)	220,651	67,963
<i>Total net position, beginning of year restated</i>	<u>1,339,082</u>	<u>148,083</u>	<u>366,090</u>	<u>1,853,255</u>
<i>Total net position, end of year</i>	<u>\$ 1,307,076</u>	<u>\$ 221,106</u>	<u>\$ 348,219</u>	<u>\$ 1,876,401</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS
For the Year Ended June 30, 2015

	Sewer/AWWT Fund	Solid Waste Fund	Water Fund	Total
<i>Cash flows from operating activities:</i>				
Cash received from user charges	\$ 511,793	\$ 398,905	\$ 431,702	\$ 1,342,400
Cash payments to employees for services	(254,182)	(111,444)	(250,536)	(616,162)
Cash payments to suppliers for goods and services	(256,527)	(234,612)	(152,081)	(643,220)
<i>Net cash provided for operating activities</i>	<u>1,084</u>	<u>52,849</u>	<u>29,085</u>	<u>83,018</u>
<i>Cash flows from noncapital financing activities:</i>				
Change in long term accrued compensated absences	2,600	(3,248)	6,170	5,522
<i>Net cash provided (used) by noncapital financing activities:</i>	<u>2,600</u>	<u>(3,248)</u>	<u>6,170</u>	<u>5,522</u>
<i>Cash flows from investing activities:</i>				
Adjustment to Capital Assets	24,879	7,320	(39,170)	(6,971)
<i>Net cash used by investing activities:</i>	<u>24,879</u>	<u>7,320</u>	<u>(39,170)</u>	<u>(6,971)</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	28,563	56,921	(3,915)	81,569
<i>Cash and cash equivalents - beginning of year</i>	<u>\$ 71,780</u>	<u>\$ 128,457</u>	<u>\$ 29,390</u>	<u>\$ 229,627</u>
<i>Cash and cash equivalents - end of year</i>	<u><u>\$ 100,343</u></u>	<u><u>\$ 185,378</u></u>	<u><u>\$ 25,475</u></u>	<u><u>\$ 311,196</u></u>
<i>Reconciliation of operating income (loss) to net cash provided (used)</i>				
<i>by operating activities:</i>				
Operating income (loss)	\$ (74,491)	\$ 73,023	\$ 9,951	\$ 8,483
Adjustments to reconcile operating (loss) to net cash provided (used)				
by operating activities				
Depreciation	99,886	4,169	34,963	139,018
Changes in assets and liabilities				
Receivables	10,799	(6,578)	3,147	7,368
Accrued expenses	(10,818)	(4,893)	(10,429)	(26,140)
Accounts payable	(24,292)	(12,872)	(8,547)	(45,711)
<i>Net cash provided by operating activities</i>	<u><u>\$ 1,084</u></u>	<u><u>\$ 52,849</u></u>	<u><u>\$ 29,085</u></u>	<u><u>\$ 83,018</u></u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES-AGENCY FUNDS
 June 30, 2015

	<u>Agency Funds</u>
<i>Assets</i>	
Cash	\$ 18,710
<i>Total assets</i>	18,710
 <i>Liabilities</i>	
Deposits held in trust for others	18,710
<i>Total liabilities</i>	\$ 18,710

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STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies

The Town of Red River (“Town”) was incorporated in 1971, under provisions of Chapter 3, Article 2, NMSA, 1978 as amended. The Town operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire); highways and streets; water and sewer services; refuse collection; health and social services; culture-recreation; public improvements; planning and zoning; and general administrative services.

The Town of Red River is a body politic and corporate under the name and form of government selected by its qualified electors. The Town may:

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

This summary of significant accounting policies of the Town is presented to assist in the understanding of the Town’s financial statements. The financial statements and notes are the representation of the Town’s management who is responsible for their integrity and objectivity. The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures. The more significant of the Town’s accounting policies are described below.

A. Financial Reporting Entity

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB statements No. 61. Blended component units, although legally separate entities, are in substance part of the government’s operations. Each discreetly presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the Town has no component units, and is not a component unit of another governmental agency.

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

B. Government-wide and fund financial statements

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

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

Governmental funds are used to account for the Town's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental funds include:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the Town except for items included in other funds.

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

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by the proprietary or nonexpendable trust funds. The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by the proprietary or nonexpendable trust funds.

The *Fiduciary Funds* account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. These are custodial in nature (assets equal liabilities) and do not present results of operations or have measurement focus. Agency funds are accounted for using the modified accrual basis of accounting.

Under the requirements of GASB No. 34, the Town is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include only the General Fund, 911 Grant Fund, Fire Protection Fund, Lodgers' Tax Fund, and the Capital Projects Fund. No other funds were required to be presented as major at the discretion of management.

General Fund – the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided primarily through property, gross receipts and other miscellaneous taxes.

Major Special Revenue Funds:

911 Grant Fund (207) – To account for monies received from the State of New Mexico under Section 63-9D-1 NMSA 1978 as amended for the enhancement of the 911 Telephone Emergency System.

Fire Protection Fund (209) – To account for the grant funds used for maintenance and development of the Town fire department. Financing is provided by a grant from the State of New Mexico. Such revenue provided for purchase and repairs of equipment as well as classes to upgrade the training of fire personnel and may be used only for these purposes. Funding authority is NMSA 29-13-1.

Lodgers' Tax Fund – To account for the operations of a special fund to promote tourist operations in the Town. Financing is provided by a special lodger's tax charged on all transient lodging in the Town. One half of the tax collected must be used to promote the Town. Funding authority is NMSA 1978 Section 3-38-15.

Major Capital Project Funds:

Grants Capital Projects Fund – To account for various grant collections and expenditures. Authorization varies with each grant award.

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

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

The Town reports its proprietary funds as a major business-type fund.

Major Enterprise Funds:

Sewer/AWWT Fund – to account for the provision of sewer services to the residents of the Town.

Solid Waste Fund – to account for the provision of solid waste services to the residents of the Town.

Water Fund – to account for the provision of water services to the residents of the Town.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

Program revenues reduce the cost of the function to be financed from the Town's general revenues. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing service in connection with the fund's principal ongoing operations. The principal operating revenue of the Town's enterprise fund is charges for services for the Town's various utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Liabilities, and Net Position or Equity

Deposits and Investments: The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the Town are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds or internal balances" (i.e., the current portion of interfund loans) or "advances to/from other funds or internal balances" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

D. Assets, Liabilities, and Net Position or Equity (continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied and the amount is available and provided. Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the County may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary financial statements.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Library books are expensed as purchased. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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

Assets	Years
Buildings	30
Building Improvements	30
Infrastructure	50
Vehicles	5
Equipment	5

Inventory: Inventory is reflected at historical cost.

Unearned Revenues: Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. In addition, property taxes receivable but uncollected within sixty (60) days of year-end are classified as unearned revenue.

Deferred Inflow/Outflows of Resources: GASB 63 amended previous guidance on Unearned Revenues in the Government-Wide Financial Statements to include deferred outflow of resources, which is the consumption of net assets by the government that is applicable to a future reporting period and deferred inflow of resources, which is acquisition of net assets by the government that is applicable to a future reporting period.

Compensated Absences: Eligible employees are entitled to accumulate compensated absences earned. Vacation leave can carry over year to year for unused hours with a maximum of 240 hours. After one year of service, an employee can earn vacation leave as follows: 1-5 service years, earn 3.85 hours per pay period; 6-10 service years, 5.39 hours; 11-15 service years, 6.93 hours; service years > 15 years, 8.47 hours. Upon termination, eligible employees will be paid for all days of current year accrued annual leave not yet taken.

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

D. Assets, Liabilities, and Net Position or Equity (continued)

Eligible employees are entitled to accumulate sick leave at a rate of twelve days per year. Sick leave can be carried over from year to year with a maximum 720 hours. Upon termination, employees receive no pay for sick time accumulated. Accumulated sick leave benefits vest with each employee in accordance with the Town's policy. Vacation leave is accrued when incurred in the governmental-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of services by employees.

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Net Position or Fund Equity:

Committed fund balance represents amounts that are useable only for specified purposes by formal action of the governments' highest level of decision-making authority.

Assigned fund balance represents amounts that are intended to be used for specific purpose, but are neither restricted nor committed. Intent is expressed by the governing body or a subordinate high level body or official whom the governing body has delegated.

Restricted fund balance represents amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unassigned fund balance is the residual classification for the general fund and represents the amount that have not been assigned to other funds, and that have not been restricted, committed or assigned to specific purposes.

Net Investment in capital assets consists of net position 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 these assets.

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

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

Tax Revenues: The Town receives mill levy and ad-valorem tax revenues. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The Town recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The Town records only the portion of the taxes considered 'measureable' and 'available' in the governmental fund financial statements. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes. Property taxes classified as deferred inflows of resources are recorded only when the information is available and provided.

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

D. Assets, Liabilities, and Net Position or Equity (continued)

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. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets of the Town are prepared prior to June 1 and must be approved by resolution of the Town Councilors, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the Town Councilors and the Department of Finance and Administration. The legal level of budgetary control is at the fund level. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

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

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

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

The Town is required to balance its budgets each year. Accordingly, amounts that are in excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The Town Council may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance.

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with Generally Accepted Accounting Principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2015 is presented.

The reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund are shown on each budgetary statement.

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 3. Deposits and Investments

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

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

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

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

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

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Town for at least one half the amount in excess of FDIC coverage on deposit with the institution.

The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the Town's deposits.

	Peoples Bank	NMFA Reserves
Operating, interest bearing	\$ 2,229,579	\$ 70,793
Certificate of deposit, Interest bearing	83,608	-
Total Deposits	2,313,187	70,793
Less: FDIC Coverage	(250,000)	(70,793)
Total uninsured public funds	2,063,187	-
50% Collateral requirement	1,031,594	-
Pledged Securities	1,107,092	-
(Over)Under collateralized	\$ (75,498)	\$ -
 Custodial Credit Risk-Deposits		
Account Balance	\$ 2,383,980	
FDIC Insured	320,793	
Collateral:		
Collateral held by the pledging bank, not in the Town's name	1,107,092	
Uninsured and uncollateralized	956,096	
Total Deposits	\$ 2,383,980	

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 3. Deposits and Investments (continued)

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

Reconciliation of Cash and Temporary Investments

Carrying amounts by fund per financial statement at June 30, 2015 is:

Governmental Funds- Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 2,245,179
Cash and cash equivalents per Exhibit E-1	18,710
Petty Cash	(100)
Add Reconciling items	120,191
	\$ 2,383,980

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that in the event of counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged for bank accounts in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Town for at least 50% of the amount on deposit with the institution.

The New MexiGrow Local Governmental Investment Pool’s (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance. In accordance with Sections 6-10-10 I through 6-10-10-P and Section 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 19078, as the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

As of June 30, 2015, the Town’s investment balances were exposed to custodial credit risk as follows:

NMFA reserves	\$ 70,793
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Interest Rate Risk and Credit Rating

The Town does not have a formal policy limiting investment maturities to manage its exposure to fair value losses from increasing interest rates. The Town’s investments at June 30, 2015 include the following:

NMFA reserves	\$ 70,793
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NOTE 4. Accounts Payables

Accounts payable as of June 30, 2015, are as follows:

	Governmental activities		Business-like activities
Payable to suppliers	\$ 91,361	\$	8,977
Payables to employees	105,143	\$	16,980
Total	\$ 196,504	\$	25,957

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 5. Receivables

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

	<u>General Fund</u>	<u>Grant Fund</u>	<u>Lodgers' Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property Taxes Receivables:	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments:	20,931	55	64,899	19,187	105,072
Other accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ 20,931	\$ 55	\$ 64,899	\$ 19,187	\$ 105,072

	<u>Sewer/AWWT Fund</u>	<u>Solid Waste Fund</u>	<u>Water Fund</u>	<u>Total</u>
Accounts Receivable	\$ 39,103	\$ 31,146	\$ 28,823	\$ 99,072

The above governmental receivables are deemed 100% collectible. The utility accounts receivable are net of an estimated allowance for uncollectible accounts of \$8,242, \$5,857 and \$6,653, respectively.

NOTE 6. Interfund Receivables, Payables, and Transfers

“Due to” and “Due from” balances have primarily been recorded when funds overdraw their share of pooled cash. The composition of interfund balances as of June 30, 2015 is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 50,532	\$ -
Motor Vehicle Department	-	2,381
Grant Fund	-	48,151
Total	\$ 50,532	\$ 50,532

Transfers

This schedule is reported on the government-wide basis of accounting due to the transfers of capital assets between governmental funds and business-type funds.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 4,000
Lodgers' Tax Fund	-	252,000
Infrastructure Replacement Fund	-	15,779
Water Fund	-	27,822
Environmental Gross Receipts Tax Fund	21,038	5,259
Transportation Fund	60,000	-
Economic Development Grant Fund	192,000	-
Sewer/AWWT Fund	42,362	-
Motor Vehicle Department Fund	4,000	-
Total	\$ 304,860	\$ 304,860

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 7. Capital Assets

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

Governmental Activities	<u>June 30, 2014</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Capital assets not depreciated:					
Land	\$ 2,176,627	\$ -	\$ -	\$ -	\$ 2,176,627
Capital assets being depreciated:					
Buildings & Improvements	4,266,080	-	-	30,000	4,236,080
Equipment	2,131,317	82,575	-	-	2,213,892
Vehicles	2,185,283	150,088	-	46,249	2,289,122
Infrastructure	2,517,216	63,915	-	-	2,581,131
Total capital assets being depreciated	<u>11,099,896</u>	<u>296,578</u>	<u>-</u>	<u>76,249</u>	<u>11,320,225</u>
Total Capital Assets	<u>13,276,523</u>	<u>296,578</u>	<u>-</u>	<u>76,249</u>	<u>13,496,852</u>
Less accumulated depreciation:					
Building & Improvements	2,075,664	104,338	1,171	30,000	2,151,173
Equipment	1,960,339	66,854	(29,718)	-	1,997,475
Vehicles	1,671,820	228,245	(25,763)	46,249	1,828,053
Infrastructure	1,121,936	57,421	-	-	1,179,357
Total Accumulated Depreciation	<u>6,829,759</u>	<u>456,858</u>	<u>(54,310)</u>	<u>76,249</u>	<u>7,156,058</u>
Total capital assets net of depreciation	<u>\$ 6,446,764</u>	<u>\$ (160,280)</u>	<u>\$ 54,310</u>	<u>\$ -</u>	<u>\$ 6,340,794</u>
Business-Like Activities	<u>June 30, 2014</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Land, Building & Improvements	\$ 8,083,014	\$ -	\$ -	\$ -	\$ 8,083,014
Equipment	368,476	-	-	-	368,476
Vehicles	418,706	14,540	-	-	433,246
Total Capital Assets	<u>8,870,196</u>	<u>14,540</u>	<u>-</u>	<u>-</u>	<u>8,884,736</u>
Less accumulated depreciation:					
Land, Building & Improvements	6,596,474	126,257	-	(99,634)	6,623,097
Equipment	337,290	8,181	-	(1,551)	343,920
Vehicles	369,273	35,853	-	1,949	407,075
Total Accumulated Depreciation	<u>7,303,037</u>	<u>170,291</u>	<u>-</u>	<u>(99,236)</u>	<u>7,374,092</u>
Total capital assets net of depreciation	<u>\$ 1,567,159</u>	<u>\$ (155,751)</u>	<u>\$ -</u>	<u>\$ 99,236</u>	<u>\$ 1,510,644</u>

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

General Government	\$ 26,566
Public Safety	218,175
Public Works	98,889
Culture and Recreation	68,000
Health and Welfare	45,228
Total depreciation expense governmental funds	<u>\$ 456,858</u>

Depreciation expense relating to business-like activities for the year ended June 30, 2015 totaled \$170,291.

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 8. Long-term Debt

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

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Governmental Activities					
Sales Tax Revenue Bond	\$ 175,000	\$ -	\$ 175,000	\$ -	\$ -
NMFA-Front End Loader	59,182	-	29,451	29,731	29,731
NMFA-Osage Ambulance	23,432	-	11,621	11,811	11,395
NMFA-Aerial Platform Truck	169,113	-	19,265	149,848	19,678
NMFA-Fire Station Loan	193,204	-	1,539	191,665	1,571
NMFA-Wastewater	-	39,787	-	39,787	-
Accrued Compensated Absences	83,566	24,598	49,731	58,433	8,775
Total	<u>\$ 703,497</u>	<u>\$ 64,385</u>	<u>\$ 286,607</u>	<u>\$ 481,275</u>	<u>\$ 71,150</u>
	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Business-type Activities					
Accrued Compensated Absences	\$ 22,584	\$ 8,630	\$ 10,202	\$ 21,012	\$ 3,950
Total Long Term Debt	<u>\$ 22,584</u>	<u>\$ 8,630</u>	<u>\$ 10,202</u>	<u>\$ 21,012</u>	<u>\$ 3,950</u>

The annual requirements to amortize the long term debt of NMFA as of June 30, 2015, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 62,375	\$ 13,720	\$ 76,095
2017	21,762	12,664	34,426
2018	22,332	12,093	34,425
2019	22,974	11,451	34,425
2020	23,684	10,742	34,426
2021-2025	102,182	127,196	229,378
2026-2030	103,634	20,518	124,152
Thereafter	63,899	1,133	65,032
Total	<u>\$ 422,842</u>	<u>\$ 209,517</u>	<u>\$ 632,359</u>

Short-term Debt: The Town had no short-term debt activity during the year.

NOTE 9. Risk Management

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters. The Town of Red River participates in the New Mexico Self-Insurer's Fund risk pool. The Town pays an annual premium to the pool based on claim experience and the status of the pool. The Town is not liable for more than the premium paid.

The Town has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the Town which exceeds the insurance coverage, the Town would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers' Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage's have not changed significantly from prior years and coverage's are expected to be continued. At June 30, 2015, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. No major lawsuits have been filed against the Town of Red River.

New Mexico Self-Insurers' Fund has not provided information or an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 10. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the Combining Statements - Overview of certain information concerning individual funds including:

A. Deficit fund balance of individual funds.

None

Fund deficits will be funded by general fund transfers or by grant revenues.

B. No expenditures exceeded appropriations by fund.

NOTE 11. OPERATING LEASES

The Town has two operating leases as of June 30, 2015. The copier lease with Xerox was paid in the amount of \$3,953 and the postage meter lease with Pitney Bowe was paid \$1,267.

NOTE 12. Contingent Liabilities

The Town is party to various claims and lawsuits arising in the normal course of business. Management and the Town's attorney are unaware of any material pending or threatened litigation, claims or assessments against the Town which are not covered by the Town's insurance as described in Note 9.

NOTE 13. Federal and State Grants

In the normal course of operations, the Town receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 14. Construction Commitments

As of June 30, 2015, Riverbend Engineering LLC was hired for the river restoration project with a budgeted contract of \$31,538. The engineering services were paid in the amount of \$3,852 and the outstanding balance is \$27,686.

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 15. PERA Pension Plans

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

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

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

Contributions. The contribution requirements of defined benefit plan members and the Town are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf. The PERA coverage options that apply to Town are: General Division, Police Division and Fire Division. Statutorily required contributions to the pension plan from the Town were \$147,900 and employer paid member benefits that were “picked up” by the employer were \$0 for the year ended June 30, 2015.

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

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

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 15. PERA Pension Plans (continued)

For PERA Fund Division – General Division, at June 30, 2015, the Town reported a liability of \$1,099,951 for its proportionate share of the net pension liability. At June 30, 2014, the Town’s proportion was 0.1410 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Town recognized PERA Fund Division – General Division pension expense of \$45,890. At June 30, 2015, the Town reported PERA Fund Division – General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	745
Net difference between projected and actual earnings on pension plan investments	-	430,330
Changes in proportion and differences between the Town contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	104,726	-
Total	\$ 104,726	\$ 431,075

\$104,726 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2016	\$	(107,768)
2017		(107,768)
2018		(107,768)
2019		(107,768)
2020		(4)
Thereafter	\$	-

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 15. PERA Pension Plans (continued)

For PERA Fund Division – Police Division, at June 30, 2015, the Town reported a liability of \$236,016 for its proportionate share of the net pension liability. At June 30, 2014, the Town’s proportion was 0.0724 percent, which was an increase of zero from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Town recognized PERA Fund Division – Police Division pension expense of \$15,850. At June 30, 2015, the Town reported PERA Fund Division – Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	19,173
Net difference between projected and actual earnings on pension plan investments	-	87,761
Changes in proportion and differences between the Town contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	25,782	-
Total	\$ 25,782	\$ 106,934

\$25,782 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2016	\$	(26,710)
2017		(26,710)
2018		(26,710)
2019		(26,710)
2020		(95)
Thereafter	\$	-

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 15. PERA Pension Plans (continued)

For PERA Fund Division – Fire Division, at June 30, 2015, the Town reported a liability of \$308,458 for its proportionate share of the net pension liability. At June 30, 2014, the Town’s proportion was 0.0739 percent, which was an increase of zero from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Town recognized PERA Fund Division – Fire Division pension expense of \$27,245. At June 30, 2015, the Town reported PERA Fund Division – Fire Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	10,708	-
Net difference between projected and actual earnings on pension plan investments	-	42,723
Changes in proportion and differences between the Town contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	17,495	-
Total	\$ 28,203	\$ 42,723

\$17,495 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2016	\$	(8,017)
2017		(8,017)
2018		(8,017)
2019		(7,964)
2020		-
Thereafter	\$	-

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 15. PERA Pension Plans (continued)

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

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

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

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

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

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 15. PERA Pension Plans (continued)

Sensitivity of the Town'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 Town's net pension liability in each PERA Fund Division that Town participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

PERA Fund Division – General Division	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Town's proportionate share of the net pension liability	\$ 2,073,656	\$ 1,099,951	\$ 347,718
PERA Fund Division – Police Division	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Town's proportionate share of the net pension liability	\$ 450,083	\$ 236,016	\$ 76,175
PERA Fund Division – Fire Division	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Town's proportionate share of the net pension liability	\$ 435,828	\$ 308,458	\$ 214,518

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

Payables to the pension plan. At June 30, 2015, the Town had no outstanding amount of contributions to the pension plan and therefore, had no payables reported at fiscal year 2015.

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 16. Post-Employment Benefits

The Town of Red River has elected not to obtain Retiree Health Care Act Coverage.

NOTE 17. Memorandum of Understanding/Joint Powers Agreements

Creation of “The Enchanted Circle Regional Fire Protection Association”

Purpose: The agreement is for the sole purpose of establishing, implementing, and maintaining a regional fire protection association. This program will provide cooperative fire suppression, firefighter training programs, and cost efficient purchasing of firefighting equipment and supplies for all parties involved.

Participants: The Town of Red River, The Town of Red River, The Town of Angel Fire, The Town of Eagle Nest, The Town of Red River, The Town of Questa, The County of Red River, and The County of Colfax

Responsible Party for Operation and Audit: The Town of Red River

Beginning and Ending Date of Agreement: Started March 23, 2007 and is renewed annually with changes made no later than September 30

Total Estimated Amount of Project and Actual Amount Contributed: None

Operation of the Solid Waste Landfill

Purpose: To operate the Taos Regional Landfill

Participants: Town of Taos, Questa, Eagle Nest, Taos Ski Valley, Taos County and the Town of Red River

Responsible Party for Operation and Audit: Town of Taos

Beginning and Ending Date of Agreement: Started July 22, 2008 for a period of 50 years

Total Estimated Amount of Project and Actual Amount Contributed: Undetermined

Wildland Suppression

Purpose: To document EMNRD and the Town of Red River’s commitment to wildland fire suppression by using interagency cooperation, management assistance, and cooperation with the use of federal excess property.

Participants: EMNRD and the Town of Red River

Responsible Party for Operation and Audit: The Energy, Minerals and Natural Resources Department

Beginning and Ending Date of Agreement: Started September 22, 2006 and is continuous unless terminated by either party due to insufficient appropriation or suspended performance pending approval from the New Mexico State Legislature.

Total Estimated Amount of Project and Actual Amount Contributed: Undetermined

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 17. Memorandum of Understanding/Joint Powers Agreements (continued)

E911 Land Line Services

Purpose: The Town of Red River and Town of Angel Fire to provide funding for enhanced 911 landline service and wireless Phase I and Phase II Services.

Participants: Town of Red River and Town of Angel Fire

Responsible Party for Operation and Audit: Town of Angel Fire

Beginning and Ending Date of Agreement: 02-20-07 to 30 days upon written notification by either party

Total Estimated Amount of Project and Actual Amount Contributed: None

Traffic Safety Bureau Grant

Purpose: All are concerned with the safety, health, and welfare to the rest of our community and desire to reduce DWI in their communities and Taos County overall.

Participants: Town of Red River, Questa, Taos and Taos County

Responsible Party for Operation and Audit: Taos County

Beginning and Ending Date of Agreement: 5-25-2010 to 30 days upon written notification by either party

Total Estimated Amount of Project and Actual Amount Contributed: Undetermined

NOTE 18. Related Party Transactions

The Town engages in various related party transactions due to the limitations of a small municipality. The Towns' related party transactions are as follows:

Ambitions Technology Group, owned by the nephew of the Town Administrator, was paid \$35,541 for the year ended June 30, 2015.

CARQUEST Auto Parts, owned by the spouse of the Town Administrator, was paid \$3,763 for the year ended June 30, 2015.

Questa Lumber & Hardware Co., owned by the spouse of the Town Administrator, was paid \$1,898 for the year ended June 30, 2015.

Der Markt Food Store, owned by the Mayor, was paid \$690 for the year ended June 30, 2015.

MCT Inc., owned by the family of the previous Public Works Director, was paid \$5,275 for the year ended June 30, 2015.

Red River Miner, owned by the Librarian, was paid \$4,189 for the year ended June 30, 2015.

Shotgun Willie's, owned by a Councilman, was paid \$1,324 for the year ended June 30, 2015.

Universal Professional Services, Inc., owned by a family member of the Town Administrator, was paid \$19,999 for the year ended June 30, 2015.

Sitzmark Sports, owned by a Councilman, was paid \$380 for the year ended June 30, 2015.

Valero Marketing & Supply, owned by the Judge, was paid \$11,032 for the year ended June 30, 2015.

STATE OF NEW MEXICO
Town of Red River
Notes to the Financial Statements
June 30, 2015

NOTE 18. Related Party Transactions (continued)

G&M Tire Repair., owned by a Public Works Department employee, was paid \$1,312 for the year ended June 30, 2015.

4-W Mechanical Inc., owned by a Fire Department employee, was paid \$1,193 for the year ended June 30, 2015.

Kevin Wayne Hester who is the husband of the Manager of the convention center, was paid \$685 for cleaning services as of June 30, 2015.

North Star Texaco is owned by the brother of the Town Clerk and was paid \$137 for the year ended June 30, 2015.

The Way Coffee is owned by a parent of a department head and was paid \$412 for the year ended June 30, 2015.

In addition, the Town has employees that are engaged in personal relationships. The Fire Chief and the EMS Department Head are married, a Councilman and the current Director of Finance are married, and the Judge and the Court Clerk are in a relationship.

NOTE 19. Restatement of Net Position

GASB 68 requires a restatement of Net Position to include the net pension liability at June 30, 2015 as the Town is required to recognize the liability on their government-wide financial statements. Also, a restatement of Net Position and Fund Balance for the Proprietary Funds was included due to corrections of accumulated depreciation for Capital Assets as prior period adjustments.

	Government Activities	Business-like Activities
Beginning Net Position	\$ 7,498,787	\$ 1,785,292
Restatement for Net Pension Liability	(2,125,478)	-
Restatement for Capital Assets	45,988	82,503
Net Position, restated	\$ 5,419,297	\$ 1,867,795

	Sewer/AWWT Fund	Solid Waste Fund	Water Fund
Beginning Net Position	\$ 1,462,984	\$ 176,869	\$ 145,439
Restatement	(123,902)	(28,786)	220,651
Net Position, beginning-restated	\$ 1,339,082	\$ 148,083	\$ 366,090

NOTE 20. Subsequent Review

The Town of Red River has evaluated subsequent events through October 1, 2015, which is the date the financial statements were dated. No significant subsequent event to report.

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
TOWN OF RED RIVER
June 30, 2015

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the Town with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

Local Government Corrections Fund (201) – To account for the operation and maintenance of the Town’s jail. Financing is provided by the assessment of correction fees which may be used only for prisoner care. Authorized by NMSA 1978 35-14-44. No minimum balance required according to legislation.

Environmental Gross Receipts Tax Fund (202) – To account for the collection and expenditure of one sixteenth of one percent gross receipts tax dedicated for the acquisition, construction, operation and maintenance of solid waste facilities, water facilities, waste water facilities or sewer systems. Authorized by NMSA Chapter 7, Article 20E. No minimum balance required according to legislation.

Emergency Medical Services Fund (206) – To account for the acquisition of emergency medical equipment and the operation of the equipment financed through a grant from the State of New Mexico. Authorized by NMSA 24-10A & NMS 6-11-6. No minimum balance required according to legislation.

Law Enforcement Protection Fund (211) – To account for the grant funds used for maintenance and development of the Town’s police force. Financing is provided by a grant from the State of New Mexico. Such revenue provided for purchase and repairs of equipment as well as classes to upgrade the training of police personnel and may be used only for these purposes. Funding authority is NMSA 29-13-1. No minimum balance required according to legislation.

State Library Grant Fund (213) – To account for the operation s of a Library Grant from the New Mexico State Library for additions to the Town Library. Authorized by Section 18-2-4B NMSA 1978. No minimum balance required according to legislation.

State Gasoline Tax Fund (216) – To account for special gasoline tax distribution to be used for maintenance and improvement of the streets and highways. Funding is form State gasoline tax. Authorized by NMSA 1978 7-1-6.9 to 7-13-18. No minimum balance required according to legislation.

Transportation Grant Fund (224) - To account for a grant to administer and operate a Federal Transportation Administration 5311 Program- Rural Transportation System. Funds are restricted to the transportation system. No minimum balance required according to legislation.

Ambulance Transfer Fund (290) – To account for Ambulance fees collected and transferred between the Town of Red River and Taos County. Funds are restricted to the ambulance related services. No minimum balance required according to legislation.

Motor Vehicle Department Fund (296) – To account for a portion of the fees and taxes collected through the Motor Vehicle Department for payroll purposes within the MVD. Funds are restricted to motor vehicle department for payroll. No minimum balance required according to legislation.

Economic Development Fund (298) - To account for monies received from the State of New Mexico for the purpose of advertising and promoting the tourism industry of Red River and the enhancement of economic development. Funds are restricted to the economic development of the Town. No minimum balance required according to legislation.

Fire/EMS Donations Fund (299) - To account for State grant funds to be used to provide an advanced life support system for the Town’s Fire and EMS departments. Authorized by Emergency Medical Services Fund Section 24-10A-1, NMSA 1978. No minimum balance required according to legislation.

All funds are on a reimbursement basis, therefore there are no reverting fund requirements.

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STATE OF NEW MEXICO
TOWN OF RED RIVER
June 30, 2015

CAPITAL PROJECTS FUNDS

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

The Town has five separate funds classified as non-major Capital Projects Funds as follows:

Sewer/AWWT Replacement Fund (304) – To account for funds collected in prior years to fund the replacement of part of the waste water treatment plant.

Water Line Replacement Fund (306) – To account for financing, construction and maintenance of water lines within the Town limits. Funding is from a ¼ cent sales tax imposed by legislation for such projects.

Park Replacement Fund (310) – To account for the financing, construction and maintenance of land and parks within the Town limits. Funding is from a ¼ cent sales tax imposed by legislation for such projects.

Infrastructure Replacement Fund (311) – To account for the financing, construction and maintenance of streets within the Town limits. Funding is from a 1/8 cent sales tax imposed by legislation for such projects.

Streets Tax Fund – To account for the collection of a quarter cent sales tax imposed by the Town Council to fund the construction and maintenance of streets within the Town limits.

DEBT SERVICE FUNDS

Debt Service Funds - To account for financial resources to be used for the acquisition and payment of long term bonds and notes of the Town.

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STATE OF NEW MEXICO
TOWN OF RED RIVER
June 30, 2015

PROPRIETARY FUNDS

Sewer/AWWT Fund (503) – To account for the provision of sewer services to the residents of the Town. All utilities activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operation, billing and maintenance.

Solid Waste Fund (504) – To account for the provision of solid waste services to the residents of the Town. All utilities activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, billing and maintenance.

Water Fund (505) – To account for the provision of water services to the residents of the Town. All utilities activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, billing and maintenance.

STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2015

Schedule A-1

	Local Government Corrections Fund	Environmental Gross Receipts Tax Fund	Emergency Medical Services Fund
	<u> </u>	<u> </u>	<u> </u>
<i>Assets</i>			
Cash and cash equivalents	\$ 8,887	\$ 48,574	\$ -
Investments	-	-	3,342
Accounts and taxes receivable	-	-	-
Other receivables	100	-	-
Due from other governments	-	-	-
Inventory	-	-	-
Due from other funds	-	-	-
<i>Total assets</i>	<u>\$ 8,987</u>	<u>\$ 48,574</u>	<u>\$ 3,342</u>
<i>Liabilities</i>			
Accounts payable	\$ 480	\$ -	\$ -
Accrued salaries and benefits	-	323	-
Accrued compensated absences	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
<i>Total liabilities</i>	<u>480</u>	<u>323</u>	<u>-</u>
<i>Fund Balances</i>			
Fund Balance			
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	8,507	48,251	3,342
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
<i>Total fund balances</i>	<u>8,507</u>	<u>48,251</u>	<u>3,342</u>
<i>Total liabilities and fund balances</i>	<u>\$ 8,987</u>	<u>\$ 48,574</u>	<u>\$ 3,342</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2015

Schedule A-1

Law Enforcement Protection Fund	State Library Grant Fund	State Gasoline Tax Fund	Federal Transportation Grant Fund
\$ -	\$ 298	\$ 21,231	\$ 24,643
-	-	-	-
-	-	-	-
-	-	-	55
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ 298</u>	<u>\$ 21,231</u>	<u>\$ 24,698</u>
\$ -	\$ 2,565	\$ -	\$ 320
-	-	-	3,246
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>2,565</u>	<u>-</u>	<u>3,566</u>
-	-	-	-
-	(2,267)	21,231	21,132
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>(2,267)</u>	<u>21,231</u>	<u>21,132</u>
<u>\$ -</u>	<u>\$ 298</u>	<u>\$ 21,231</u>	<u>\$ 24,698</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2015

Schedule A-1

	<u>Ambulance Transfer Fund</u>	<u>Motor Vehicle Department Fund</u>	<u>Economic Development Fund</u>
<i>Assets</i>			
Cash and cash equivalents	\$ 87,648	\$ 1	\$ 43,964
Investments	-	-	-
Accounts and taxes receivable	-	-	-
Other receivables	18,382	-	-
Due from other governments	-	-	705
Inventory	-	-	-
Due from other funds	-	-	-
<i>Total assets</i>	<u>\$ 106,030</u>	<u>\$ 1</u>	<u>\$ 44,669</u>
<i>Liabilities</i>			
Accounts payable	\$ 9	\$ 470	\$ 10,364
Accrued salaries and benefits	6,454	-	5,016
Accrued compensated absences	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	2,381	-
<i>Total liabilities</i>	<u>6,463</u>	<u>2,851</u>	<u>15,380</u>
<i>Fund Balances</i>			
Fund Balance			
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	99,567	(2,850)	29,289
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
<i>Total fund balances</i>	<u>99,567</u>	<u>(2,850)</u>	<u>29,289</u>
<i>Total liabilities and fund balances</i>	<u>\$ 106,030</u>	<u>\$ 1</u>	<u>\$ 44,669</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2015

Schedule A-1

Fire/EMS Donations Fund	Sewer/AWWT Replacement Fund	Water Line Replacement Fund	Park Replacement fund
\$ 93,534	\$ 98,844	\$ 55,644	\$ 74,371
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 93,534</u>	<u>\$ 98,844</u>	<u>\$ 55,644</u>	<u>\$ 74,371</u>
\$ 8,650	\$ -	\$ 2,275	\$ 2,247
37,528	-	745	1,081
-	-	-	-
-	-	-	-
-	-	-	-
<u>46,178</u>	<u>-</u>	<u>3,020</u>	<u>3,328</u>
-	-	-	-
47,356	-	-	-
-	98,844	52,624	71,043
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>47,356</u>	<u>98,844</u>	<u>52,624</u>	<u>71,043</u>
<u>\$ 93,534</u>	<u>\$ 98,844</u>	<u>\$ 55,644</u>	<u>\$ 74,371</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2015

Schedule A-1

	Infrastructure Replacement Fund	Streets Tax Fund	Debt Service	Total Nonmajor Governmental Funds
<i>Assets</i>				
Cash and cash equivalents	\$ 69,722	\$ 69,935	\$ 14,763	\$ 712,059
Investments	-	83,608	-	86,950
Accounts and taxes receivable	-	-	-	-
Other receivables	-	-	-	18,482
Due from other governments	-	-	-	760
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 69,722</u>	<u>\$ 153,543</u>	<u>\$ 14,763</u>	<u>\$ 818,251</u>
<i>Liabilities</i>				
Accounts payable	\$ 2,504	\$ 9,539	\$ -	\$ 39,423
Accrued salaries and benefits	667	434	-	55,494
Accrued compensated absences	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	2,381
<i>Total liabilities</i>	<u>3,171</u>	<u>9,973</u>	<u>-</u>	<u>97,298</u>
<i>Fund Balances</i>				
Fund Balance				
Restricted for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	273,558
Capital Projects Funds	66,551	143,570	-	432,632
Debt Service Funds	-	-	14,763	14,763
Committed for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Assigned for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Unassigned for:				
General Fund	-	-	-	-
<i>Total fund balances</i>	<u>66,551</u>	<u>143,570</u>	<u>14,763</u>	<u>720,953</u>
<i>Total liabilities and fund balances</i>	<u>\$ 69,722</u>	<u>\$ 153,543</u>	<u>\$ 14,763</u>	<u>\$ 818,251</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2015

	Local Government Corrections Fund	Environmental Gross Receipts Tax Fund	Emergency Medical Services Fund
<i>Revenues:</i>			
Taxes	\$ -	\$ 8,903	\$ -
State Grants	-	-	9,316
Federal Grants	-	-	-
Charges for Services	-	-	-
Licenses and Fees	1,310	-	-
Investment Income (Loss)	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>1,310</u>	<u>8,903</u>	<u>9,316</u>
<i>Expenditures:</i>			
Current:			
General Government	-	-	-
Public Safety	2,410	-	-
Public Works	-	21,264	-
Culture and Recreation	-	-	-
Health and Welfare	-	-	9,893
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>2,410</u>	<u>21,264</u>	<u>9,893</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,100)</u>	<u>(12,361)</u>	<u>(577)</u>
<i>Other financing sources (uses)</i>			
Bond Proceeds	-	-	-
Transfers In	-	21,038	-
Transfers Out	-	(5,259)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>15,779</u>	<u>-</u>
<i>Net change in fund balances</i>	(1,100)	3,418	(577)
<i>Fund balances - beginning of year</i>	9,607	44,833	3,919
<i>Fund balances - end of year</i>	<u>\$ 8,507</u>	<u>\$ 48,251</u>	<u>\$ 3,342</u>

Law Enforcement Protection Fund	State Library Grant Fund	State Gasoline Tax Fund	Federal Transportation Grant Fund
\$ -	\$ -	\$ 10,149	\$ -
22,400	13,040	-	85,815
-	-	-	-
-	-	-	526
-	-	-	-
8,350	-	-	-
<u>30,750</u>	<u>13,040</u>	<u>10,149</u>	<u>86,341</u>
-	-	-	-
43,619	-	-	-
-	-	247	-
-	15,605	-	171,836
-	-	-	-
-	-	-	-
<u>43,619</u>	<u>15,605</u>	<u>247</u>	<u>171,836</u>
<u>(12,869)</u>	<u>(2,565)</u>	<u>9,902</u>	<u>(85,495)</u>
-	-	-	-
-	-	-	60,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
(12,869)	(2,565)	9,902	(25,495)
12,869	298	11,329	46,627
<u>\$ -</u>	<u>\$ (2,267)</u>	<u>\$ 21,231</u>	<u>\$ 21,132</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2015

	<u>Ambulance Transfer Fund</u>	<u>Motor Vehicle Department Fund</u>	<u>Economic Development Fund</u>
<i>Revenues:</i>			
Taxes	\$ -	\$ -	\$ -
State Grants	-	-	-
Federal Grants	-	-	-
Charges for Services	305,347	-	63,786
Licenses and Fees	-	12,152	-
Investment Income (Loss)	-	-	-
Miscellaneous	359	-	410
<i>Total revenues</i>	<u>305,706</u>	<u>12,152</u>	<u>64,196</u>
<i>Expenditures:</i>			
Current:			
General Government	-	20,079	-
Public Safety	-	-	-
Public Works	-	-	-
Culture and Recreation	-	-	253,968
Health and Welfare	227,966	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>227,966</u>	<u>20,079</u>	<u>253,968</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>77,740</u>	<u>(7,927)</u>	<u>(189,772)</u>
<i>Other financing sources (uses)</i>			
Bond Proceeds	-	-	-
Transfers In	-	4,000	192,000
Transfers Out	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>4,000</u>	<u>192,000</u>
<i>Net change in fund balances</i>	77,740	(3,927)	2,228
<i>Fund balances - beginning of year</i>	21,827	1,077	27,061
<i>Fund balances - end of year</i>	<u>\$ 99,567</u>	<u>\$ (2,850)</u>	<u>\$ 29,289</u>

Fire/EMS Donations Fund	Sewer/AWWT Replacement Fund	Water Line Replacement Fund	Park Replacement Fund
\$ -	\$ -	\$ 114,310	\$ 114,311
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
395,646	-	-	-
<u>395,646</u>	<u>-</u>	<u>114,310</u>	<u>114,311</u>
(17,074)	-	-	-
425,381	-	-	-
-	-	107,393	-
-	-	-	95,876
-	-	-	-
-	-	-	-
-	-	-	-
<u>408,307</u>	<u>-</u>	<u>107,393</u>	<u>95,876</u>
<u>(12,661)</u>	<u>-</u>	<u>6,917</u>	<u>18,435</u>
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(12,661)	-	6,917	18,435
60,017	98,844	45,707	52,608
<u>\$ 47,356</u>	<u>\$ 98,844</u>	<u>\$ 52,624</u>	<u>\$ 71,043</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2015

	Infrastructure Replacement Fund	Streets Tax Fund	Debt Service	Total Nonmajor Governmental Funds
<i>Revenues:</i>				
Taxes	\$ 197,586	\$ 114,310	\$ -	\$ 559,569
State Grants	-	-	-	130,571
Federal Grants	-	-	-	-
Charges for Services	20,196	-	-	389,329
Licenses and Fees	-	-	-	13,988
Investment Income (Loss)	-	250	-	250
Miscellaneous	45	-	72,000	476,810
<i>Total revenues</i>	<u>217,827</u>	<u>114,560</u>	<u>72,000</u>	<u>1,570,517</u>
<i>Expenditures:</i>				
Current:				
General Government	132,937	-	-	135,942
Public Safety	-	-	-	471,410
Public Works	-	133,678	-	262,582
Culture and Recreation	-	-	-	537,285
Health and Welfare	-	-	-	237,859
Capital Outlay	-	-	-	-
Debt Service:				
Principal	52,000	-	-	52,000
Interest	-	-	184,715	184,715
<i>Total expenditures</i>	<u>184,937</u>	<u>133,678</u>	<u>184,715</u>	<u>1,881,793</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>32,890</u>	<u>(19,118)</u>	<u>(112,715)</u>	<u>(311,276)</u>
<i>Other financing sources (uses)</i>				
Bond Proceeds	-	-	-	-
Transfers In	(15,779)	-	-	261,259
Transfers Out	-	-	-	(5,259)
<i>Total other financing sources (uses)</i>	<u>(15,779)</u>	<u>-</u>	<u>-</u>	<u>256,000</u>
<i>Net change in fund balances</i>	17,111	(19,118)	(112,715)	(55,276)
<i>Fund balances - beginning of year</i>	49,440	162,688	127,478	776,229
<i>Fund balances - end of year</i>	<u>\$ 66,551</u>	<u>\$ 143,570</u>	<u>\$ 14,763</u>	<u>\$ 720,953</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
LOCAL GOVERNMENT CORRECTIONS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	1,600	1,600	1,210	(390)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	100	100	-	(100)
<i>Total revenues</i>	1,700	1,700	1,210	(490)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	5,000	5,000	2,170	2,830
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	5,000	5,000	2,170	2,830
<i>Excess (deficiency) of revenues over expenditures</i>	(3,300)	(3,300)	(960)	2,340
<i>Other financing sources (uses)</i>				
Designated Cash	3,300	3,300	-	(3,300)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	3,300	3,300	-	(3,300)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(960)	(960)
<i>Cash Balance - Beginning of Year</i>	-	-	9,847	9,847
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 8,887	\$ 8,887
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (960)	
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			100	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(240)	
Net change in fund balances (GAAP basis)			\$ (1,100)	

STATE OF NEW MEXICO
TOWN OF RED RIVER
ENVIRONMENTAL GROSS RECEIPTS TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 26,200	\$ 26,200	\$ 14,938	\$ (11,262)
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>26,200</u>	<u>26,200</u>	<u>14,938</u>	<u>(11,262)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	58,939	58,939	20,941	37,998
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>58,939</u>	<u>58,939</u>	<u>20,941</u>	<u>37,998</u>
<i>Excess (deficiency) of revenues over expenditures Non-GAAP basis)</i>	<u>(32,739)</u>	<u>(32,739)</u>	<u>(6,003)</u>	<u>26,736</u>
<i>Other financing sources (uses)</i>				
Designated Cash	32,739	32,739	-	(32,739)
Transfers In	-	-	21,038	21,038
Transfers Out	-	-	(5,259)	(5,259)
<i>Total other financing sources (uses)</i>	<u>32,739</u>	<u>32,739</u>	<u>15,779</u>	<u>(16,960)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	9,776	9,776
<i>Cash Balance - Beginning of Year</i>	-	-	38,798	38,798
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,574</u>	<u>\$ 48,574</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 9,776	
Adjustment to revenue for accruals and other deferrals			(6,035)	
Adjustment to expenditures for payables, prepaids and other accruals			(323)	
Net change in fund balances (GAAP Basis)			<u>\$ 3,418</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	9,315	9,315	9,315	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	9,315	9,315	9,315	-
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	8,984	9,315	9,315	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	8,984	9,315	9,315	-
<i>Excess (deficiency) of revenues over expenditures</i>	331	-	-	-
<i>Other financing sources (uses)</i>				
Designated Cash	(331)	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(331)	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>				
	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	3,341	3,341
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 3,341	\$ 3,341
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			(577)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balances (GAAP Basis)			\$ (577)	

STATE OF NEW MEXICO
TOWN OF RED RIVER
LAW ENFORCEMENT PROTECTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	22,400	22,400	22,400	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	8,350	8,350	-
<i>Total revenues</i>	22,400	30,750	30,750	-
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	35,269	43,619	43,619	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	35,269	43,619	43,619	-
<i>Excess (deficiency) of revenues over expenditures</i>	(12,869)	(12,869)	(12,869)	-
<i>Other financing sources (uses)</i>				
Designated Cash	12,869	12,869	-	(12,869)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	12,869	12,869	-	(12,869)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(12,869)	(12,869)
<i>Cash Balance - Beginning of Year</i>	-	-	12,869	12,869
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (12,869)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balances (GAAP Basis)			\$ (12,869)	

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATE LIBRARY GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	13,502	13,502	13,040	(462)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	13,502	13,502	13,040	(462)
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	11,652	13,040	13,040	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	11,652	13,040	13,040	-
<i>Excess (deficiency) of revenues over expenditures</i>	1,850	462	-	(462)
<i>Other financing sources (uses)</i>				
Designated Cash	(1,850)	(462)	-	462
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(1,850)	(462)	-	462
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>				
	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	298	298
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 298	\$ 298
<i>Excess (deficiency) of revenues over expenditures (Non-GAAP basis)</i>			\$ -	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			(2,565)	
<i>Net change in fund balances (GAAP Basis)</i>			\$ (2,565)	

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATE GASOLINE TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 11,000	\$ 11,000	\$ 10,965	\$ (35)
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>11,000</u>	<u>11,000</u>	<u>10,965</u>	<u>(35)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	11,828	11,828	247	11,581
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,828</u>	<u>11,828</u>	<u>247</u>	<u>11,581</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(828)</u>	<u>(828)</u>	<u>10,718</u>	<u>11,546</u>
<i>Other financing sources (uses)</i>				
Designated Cash	828	828	-	(828)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>828</u>	<u>828</u>	<u>-</u>	<u>(828)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	10,718	10,718
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>10,513</u>	<u>10,513</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,231</u>	<u>\$ 21,231</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 10,718	
Adjustment to revenue for accruals and other deferrals			(816)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balances (GAAP Basis)			<u>\$ 9,902</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
TRANSPORTATION GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 60,000	\$ 60,000	\$ -	\$ (60,000)
Federal Grants	149,422	149,422	86,705	(62,717)
Charges For Services	-	-	-	-
Licenses and Fees	5,500	5,500	526	(4,974)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>214,922</u>	<u>214,922</u>	<u>87,231</u>	<u>(127,691)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	214,285	214,015	171,415	42,600
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>214,285</u>	<u>214,015</u>	<u>171,415</u>	<u>42,600</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>637</u>	<u>907</u>	<u>(84,184)</u>	<u>(85,091)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(60,637)	(60,907)	-	60,907
Transfers In	60,000	60,000	60,000	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(637)</u>	<u>(907)</u>	<u>60,000</u>	<u>60,907</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>(24,184)</u>	<u>(24,184)</u>
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>48,827</u>	<u>48,827</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,643</u>	<u>\$ 24,643</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (24,184)	
Adjustment to revenue for accruals and other deferrals			(8,914)	
Adjustment to expenditures for payables, prepaids and other accruals			7,603	
Net change in fund balances (GAAP Basis)			<u>\$ (25,495)</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
AMBULANCE TRANSFER SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	206,000	206,000	293,089	87,089
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	17,000	17,000	359	(16,641)
<i>Total revenues</i>	<u>223,000</u>	<u>223,000</u>	<u>293,448</u>	<u>70,448</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	193,004	221,504	221,503	1
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>193,004</u>	<u>221,504</u>	<u>221,503</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>29,996</u>	<u>1,496</u>	<u>71,945</u>	<u>70,449</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(29,996)	(1,496)	-	1,496
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(29,996)</u>	<u>(1,496)</u>	<u>-</u>	<u>1,496</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	71,945	71,945
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>15,703</u>	<u>15,703</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,648</u>	<u>\$ 87,648</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 71,945	
Adjustment to revenue for accruals and other deferrals			12,258	
Adjustment to expenditures for payables, prepaids and other accruals			(6,463)	
Net change in fund balances (GAAP Basis)			<u>\$ 77,740</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
MOTOR VEHICLE DEPARTMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	19,000	19,000	12,152	(6,848)
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	19,000	19,000	12,152	(6,848)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	21,550	21,550	20,819	731
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	21,550	21,550	20,819	731
<i>Excess (deficiency) of revenues over expenditures</i>	(2,550)	(2,550)	(8,667)	(6,117)
<i>Other financing sources (uses)</i>				
Designated Cash	(1,450)	(1,450)	-	1,450
Transfers In	4,000	4,000	4,000	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	2,550	2,550	4,000	1,450
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(4,667)	(4,667)
<i>Cash Balance - Beginning of Year</i>	-	-	2,286	2,286
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ (2,381)	\$ (2,381)
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (4,667)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			740	
Net change in fund balances (GAAP Basis)			\$ (3,927)	

STATE OF NEW MEXICO
TOWN OF RED RIVER
ECONOMIC DEVELOPMENT GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	75,450	75,450	63,081	(12,369)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	410	410
<i>Total revenues</i>	75,450	75,450	63,491	(11,959)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	273,740	273,740	250,584	23,156
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	273,740	273,740	250,584	23,156
<i>Excess (deficiency) of revenues over expenditures</i>	(198,290)	(198,290)	(187,093)	11,197
<i>Other financing sources (uses)</i>				
Designated Cash	390,290	390,290	-	(390,290)
Transfers In	192,000	192,000	192,000	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	582,290	582,290	192,000	(390,290)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	384,000	384,000	4,907	(379,093)
<i>Cash Balance - Beginning of Year</i>	-	-	39,057	39,057
<i>Cash Balance - End of Year</i>	\$ 384,000	\$ 384,000	\$ 43,964	\$ (340,036)
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 4,907	
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			705	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(3,384)	
Net change in fund balances (GAAP basis)			\$ 2,228	

STATE OF NEW MEXICO
TOWN OF RED RIVER
FIRE/EMS DONATIONS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	100	100	-	(100)
Miscellaneous	493,000	493,000	431,367	(61,633)
<i>Total revenues</i>	<u>493,100</u>	<u>493,100</u>	<u>431,367</u>	<u>(61,733)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	453,755	492,264	379,203	113,061
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>453,755</u>	<u>492,264</u>	<u>379,203</u>	<u>113,061</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>39,345</u>	<u>836</u>	<u>52,164</u>	<u>51,328</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(39,345)	(836)	-	836
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(39,345)</u>	<u>(836)</u>	<u>-</u>	<u>836</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	52,164	52,164
<i>Cash Balance - Beginning of Year</i>	-	-	41,370	41,370
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,534</u>	<u>\$ 93,534</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 52,164	
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			(35,721)	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(29,104)	
Net change in fund balances (GAAP basis)			<u>\$ (12,661)</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
SEWER/AWWT REPLACEMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>98,844</u>	<u>98,844</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,844</u>	<u>\$ 98,844</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balances (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
WATER LINE REPLACEMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Basis)</u>	<u>Favorable (Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues:</i>				
Taxes	\$ 105,305	\$ 105,305	\$ 120,422	\$ 15,117
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>105,305</u>	<u>105,305</u>	<u>120,422</u>	<u>15,117</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	155,340	155,340	104,934	50,406
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>155,340</u>	<u>155,340</u>	<u>104,934</u>	<u>50,406</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(50,035)</u>	<u>(50,035)</u>	<u>15,488</u>	<u>65,523</u>
<i>Other financing sources (uses)</i>				
Designated Cash	50,035	50,035	-	(50,035)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>50,035</u>	<u>50,035</u>	<u>-</u>	<u>(50,035)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	15,488	15,488
<i>Cash Balance - Beginning of Year</i>	-	-	40,156	40,156
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,644</u>	<u>\$ 55,644</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 15,488	
Adjustment to revenue for accruals and other deferrals			(6,112)	
Adjustment to expenditures for payables, prepaids and other accruals			(2,459)	
Net change in fund balances (GAAP Basis)			<u>\$ 6,917</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
PARK REPLACEMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 105,305	\$ 105,305	\$ 120,423	\$ 15,118
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>105,305</u>	<u>105,305</u>	<u>120,423</u>	<u>15,118</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	121,324	121,324	93,972	27,352
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>121,324</u>	<u>121,324</u>	<u>93,972</u>	<u>27,352</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(16,019)</u>	<u>(16,019)</u>	<u>26,451</u>	<u>42,470</u>
<i>Other financing sources (uses)</i>				
Designated Cash	16,019	16,019	-	(16,019)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>16,019</u>	<u>16,019</u>	<u>-</u>	<u>(16,019)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>26,451</u>	<u>26,451</u>
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>47,920</u>	<u>47,920</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,371</u>	<u>\$ 74,371</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 26,451	
Adjustment to revenue for accruals and other deferrals			(6,112)	
Adjustment to expenditures for payables, prepaids and other accruals			(1,904)	
Net change in fund balances (GAAP Basis)			<u>\$ 18,435</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
INFRASTRUCTURE REPLACEMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 157,288	\$ 157,288	202,111	\$ 44,823
State Grants	-	-	-	-
Charges For Services	20,150	20,150	20,196	46
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	1,100	1,100	1,175	75
<i>Total revenues</i>	178,538	178,538	223,482	44,944
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	193,804	193,804	134,346	59,458
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	52,000	52,000	52,000	-
Interest	-	-	-	-
<i>Total expenditures</i>	245,804	245,804	186,346	59,458
<i>Excess (deficiency) of revenues over expenditures</i>	(67,266)	(67,266)	37,136	104,402
<i>Other financing sources (uses)</i>				
Designated Cash	67,266	67,266	-	(67,266)
Transfers In	-	-	(15,779)	(15,779)
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	67,266	67,266	(15,779)	(83,045)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	21,357	21,357
<i>Cash Balance - Beginning of Year</i>	-	-	48,365	48,365
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 69,722	\$ 69,722
<i>Excess (deficiency) of revenues over expenditures (Non-GAAP basis)</i>			\$ 21,357	
<i>Adjustment to revenue for accruals and other deferrals</i>			(4,525)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			279	
<i>Net change in fund balances (GAAP Basis)</i>			\$ 17,111	

STATE OF NEW MEXICO
TOWN OF RED RIVER
STREETS TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Non-GAAP Basis)	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes	\$ 105,305	\$ 105,305	120,422	\$ 15,117
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	250	250
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>105,305</u>	<u>105,305</u>	<u>120,672</u>	<u>15,367</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	150,850	150,850	125,877	24,973
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>150,850</u>	<u>150,850</u>	<u>125,877</u>	<u>24,973</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(45,545)</u>	<u>(45,545)</u>	<u>(5,205)</u>	<u>(40,340)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	45,545	45,545	-	(45,545)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>45,545</u>	<u>45,545</u>	<u>-</u>	<u>(45,545)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(5,205)	(5,205)
<i>Cash Balance - Beginning of Year</i>	-	-	158,748	158,748
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,543</u>	<u>\$ 153,543</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (5,205)	
Adjustment to revenue for accruals and other deferrals			(6,112)	
Adjustment to expenditures for payables, prepaids and other accruals			(7,801)	
Net change in fund balances (GAAP Basis)			<u>\$ (19,118)</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
GRANTS CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	1,214,187	1,214,187	285,982	(928,205)
Federal Grants	-	-	-	-
Charges for Services	110,000	110,000	105	(109,895)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,324,187</u>	<u>1,324,187</u>	<u>286,087</u>	<u>(1,038,100)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	1,214,187	1,214,187	243,699	970,488
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,214,187</u>	<u>1,214,187</u>	<u>243,699</u>	<u>970,488</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>110,000</u>	<u>110,000</u>	<u>42,388</u>	<u>67,612</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(110,000)	(110,000)	-	110,000
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(110,000)</u>	<u>(110,000)</u>	<u>-</u>	<u>110,000</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	42,388	42,388
<i>Cash Balance - Beginning of Year</i>	-	-	(90,539)	(90,539)
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,151)</u>	<u>\$ (48,151)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 42,388	
Adjustment to revenue for accruals and other deferrals			(2,500)	
Adjustment to expenditures for payables, prepaids and other accruals			(1,500)	
Net change in fund balances (GAAP Basis)			<u>\$ 38,388</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	72,000	72,000	72,000	-
<i>Total revenues</i>	<u>72,000</u>	<u>72,000</u>	<u>72,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	72,000	184,715	184,715	-
<i>Total expenditures</i>	<u>72,000</u>	<u>184,715</u>	<u>184,715</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(112,715)</u>	<u>(112,715)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	112,715	-	(112,715)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>112,715</u>	<u>-</u>	<u>(112,715)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>(112,715)</u>	<u>(112,715)</u>
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>127,478</u>	<u>127,478</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,763</u>	<u>\$ 14,763</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (112,715)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balances (GAAP Basis)			<u>\$ (112,715)</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
SEWER/AWWT PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	484,380	484,380	482,819	(1,561)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>484,380</u>	<u>484,380</u>	<u>482,819</u>	<u>(1,561)</u>
<i>Expenditures:</i>				
Current:				
Operating Expenses	190,400	190,400	162,938	27,462
Travel	4,700	4,700	2,796	1,904
Gross Receipts Tax	19,635	19,635	20,646	(1,011)
Depreciation	-	-	-	-
Purchases for Resale	-	-	-	-
Contract Services	8,500	8,500	8,736	(236)
Salaries	278,681	278,681	230,007	48,674
Supplies	29,300	29,300	29,133	167
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>531,216</u>	<u>531,216</u>	<u>454,256</u>	<u>76,960</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(46,836)</u>	<u>(46,836)</u>	<u>28,563</u>	<u>75,399</u>
<i>Other financing sources (uses)</i>				
Designated Cash	46,836	46,836	-	(46,836)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>46,836</u>	<u>46,836</u>	<u>-</u>	<u>(46,836)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	28,563	28,563
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>71,780</u>	<u>71,780</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,343</u>	<u>\$ 100,343</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
SOLID WASTE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	383,695	383,695	368,597	(15,098)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	383,695	383,695	368,597	(15,098)
<i>Expenditures:</i>				
Current:				
Operating Expenses	240,051	240,051	189,027	51,024
Travel	26,250	26,250	21,895	4,355
Gross Receipts Tax	-	-	-	-
Depreciation	-	-	-	-
Purchases for Resale	7,500	7,500	7,514	(14)
Contract Services	-	-	-	-
Salaries	137,552	137,552	92,482	45,070
Supplies	1,600	1,600	758	842
Debt Service:				
Principal	-	-	-	-
Interest	-	82,275	-	82,275
<i>Total expenditures</i>	412,953	495,228	311,676	183,552
<i>Excess (deficiency) of revenues over expenditures</i>	(29,258)	(111,533)	56,921	168,454
<i>Other financing sources (uses)</i>				
Designated Cash	29,258	111,533	-	(111,533)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	29,258	111,533	-	(111,533)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	56,921	56,921
<i>Cash Balance - Beginning of Year</i>	-	-	128,457	128,457
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 185,378	\$ 185,378

STATE OF NEW MEXICO
TOWN OF RED RIVER
WATER PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	361,652	361,652	365,380	3,728
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	361,652	361,652	365,380	3,728
<i>Expenditures:</i>				
<i>Current:</i>				
Operating Expenses	109,088	109,088	105,342	3,746
Travel	8,500	8,500	6,945	1,555
Gross Receipts Tax	15,000	15,000	14,966	34
Depreciation	-	-	-	-
Purchases for Resale	-	-	-	-
Contract Services	7,250	7,250	7,295	(45)
Salaries	230,393	230,393	231,479	(1,086)
Supplies	5,500	5,500	3,268	2,232
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	375,731	375,731	369,295	6,436
<i>Excess (deficiency) of revenues over expenditures</i>	(14,079)	(14,079)	(3,915)	10,164
<i>Other financing sources (uses)</i>				
Designated Cash	14,079	14,079	-	(14,079)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	14,079	14,079	-	(14,079)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(3,915)	(3,915)
<i>Cash Balance- Beginning of Year</i>	-	-	29,390	29,390
<i>Cash Balance- End of Year</i>	\$ -	\$ -	\$ 25,475	\$ 25,475

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PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION

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STATE OF NEW MEXICO
TOWN OF RED RIVER
Required Supplementary Information
June 30, 2015

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY OF PERA FUND DIVISION – GENERAL**

Public Employees Retirement Association (PERA) Plan

Last 10 Fiscal Years*

	<u>2015</u>
Town's proportion of the net pension liability (asset)	0.1410%
Town's proportionate share of the net pension liability (asset)	\$ 1,099,951
Town's covered-employee payroll	\$ 1,145,615
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	96.01%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

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

STATE OF NEW MEXICO
TOWN OF RED RIVER
Required Supplementary Information
June 30, 2015

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY OF PERA FUND DIVISION – POLICE
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years***

	<u>2015</u>
Town's proportion of the net pension liability (asset)	0.0724%
Town's proportionate share of the net pension liability (asset)	\$ 236,016
Town's covered-employee payroll	\$ 174,041
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	135.61%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

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

STATE OF NEW MEXICO
TOWN OF RED RIVER
Required Supplementary Information
June 30, 2015

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY OF PERA FUND DIVISION – FIRE
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years***

	<u>2015</u>
Town's proportion of the net pension liability (asset)	0.0739%
Town's proportionate share of the net pension liability (asset)	\$ 308,458
Town's covered-employee payroll	\$ 102,192
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	301.84%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

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

STATE OF NEW MEXICO
TOWN OF RED RIVER
Required Supplementary Information
June 30, 2015

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
Public Employees Retirement Association (PERA) Plan
PERA Fund Division - General
Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 104,824
Contributions in relation to the contractually required contribution	\$ 104,824
Contribution deficiency (excess)	-
Town's covered-employee payroll	\$ 1,145,615
Contributions as a percentage of covered-employee payroll	9.15%

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

Note: The employee contribution is not included in this schedule.

STATE OF NEW MEXICO
TOWN OF RED RIVER
Required Supplementary Information
June 30, 2015

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
Public Employees Retirement Association (PERA) Plan
PERA Fund Division - Police
Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 26,106
Contributions in relation to the contractually required contribution	\$ 26,106
Contribution deficiency (excess)	-
Town's covered-employee payroll	\$ 174,041
Contributions as a percentage of covered-employee payroll	15.00%

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

Note: The employee contribution is not included in this schedule.

STATE OF NEW MEXICO
TOWN OF RED RIVER
Required Supplementary Information
June 30, 2015

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
Public Employees Retirement Association (PERA) Plan
PERA Fund Division - Fire
Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 17,884
Contributions in relation to the contractually required contribution	\$ 17,884
Contribution deficiency (excess)	-
Town's covered-employee payroll	\$ 102,192
Contributions as a percentage of covered-employee payroll	17.50%

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

Note: The employee contribution is not included in this schedule.

STATE OF NEW MEXICO
TOWN OF RED RIVER
Required Supplementary Information
June 30, 2015

Notes to Required Supplementary Information

For the Year Ended June 30, 2015

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

Changes of assumptions.

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.

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO

Schedule I

TOWN OF RED RIVER

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES- AGENCY FUNDS

For The Year Ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS</u>				
Cash-Enchanted Circle EMS	<u>\$ 16,017</u>	<u>9,163</u>	<u>6,470</u>	<u>\$ 18,710</u>
<u>LIABILITIES</u>				
Deposits held in trust for others	<u>\$ 16,017</u>	<u>9,163</u>	<u>6,470</u>	<u>\$ 18,710</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2015

Schedule II

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2015	Name and Location of Safekeeper
Peoples Bank	MBS FHLMC 20-YR, 5.0% 31335HVE0, 1/1/23	\$ 112,794	UMB: United Missouri Bank Overland, KS
Peoples Bank	MBS FHLMC Gold Yr, 2.5% 3132G5AS8, 5/1/28	710,937	UMB: United Missouri Bank Overland, KS
Peoples Bank	MBS FHR 3871 LV, 5.5% 3137ACAB5, 1/15/24	29,354	UMB: United Missouri Bank Overland, KS
Peoples Bank	MBS FHR 4077 MA, 2.0% 3137ASBZ6, 8/15/40	36,431	UMB: United Missouri Bank Overland, KS
Peoples Bank	MBS FHR 4077 MA, 2.0% 3137ASBZ6, 8/15/40	109,292	UMB: United Missouri Bank Overland, KS
Peoples Bank	MBS FHR 3822 VE, 4.0% 3137A8KD9, 5/15/22	108,283	UMB: United Missouri Bank Overland, KS
		<u>\$ 1,107,092</u>	

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STATE OF NEW MEXICO
TOWN OF RED RIVER
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2015

Schedule III

Bank Account Type/Name	Peoples Bank	Total
General Fund	2,043,320	\$ 2,043,320
Municipal Court	2,900	2,900
Planning -Money Market	60,603	60,603
Ambulance Money market	2,369	2,369
Claim jumper project- Money Market	30,386	30,386
Bond Revenue Debt Service (Uncommon chking)	14,763	14,763
Solid Waste Equipment Replacement- Money Market	75,237	75,237
Certificate of Deposit, Interest Bearing	83,608	83,608
Total On Deposit	2,313,186	2,313,186
Reconciling Items	(120,191)	(120,191)
Reconciled Balance	<u>\$ 2,192,995</u>	<u>\$ 2,192,995</u>
Utility Cash		\$ 100
NMFA Reserves		70,793
Total cash and investments at June 30, 2015		<u><u>\$ 2,263,888</u></u>

This amount is reflected in the financial statements as follows:

Cash and cash equivalents-Exhibit A-1	2,090,777
Investments-Exhibit A-1	154,401
Cash and cash equivalents-Exhibit E-1	18,710
	<u><u>\$ 2,263,888</u></u>

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Town of Red River
Schedule of Vendor Information for purchases exceeding \$60,000 (excluding GRT)
For the Year Ended June 30, 2015

RFP# 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 Vendors that responded	In-State/ Out-of- State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor instate and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
ITB314	RFP for Cost Reimbursement Contract	Accent Landscape Contractors, Inc.	\$ 103,224.65	\$ 127,757.00	Accent Landscape Contractors, Inc., 3525 Girard Blvd. NE, Albuquerque, NM 87107	Y	N	Emergency Heliport Landscape Improvements
					Morow Reardon Wilkinson Miller, Ltd., 210 La Veta NE, Albuquerque, NM 87108	Y	N	Emergency Heliport Landscape Improvements

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COMPLIANCE SECTION

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

INDEPENDENT AUDITOR'S REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget and
The Governing Board
Town of Red River
Red River, NM

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, and the aggregate remaining fund information and the budgetary comparisons of the General fund and Special Revenue funds, of the Town of Red River as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Red River's basic financial statements, and the combining and individual and related budgetary comparisons of the Town of Red River, presented as supplemental information, and have issued our report thereon dated October 1, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Red River's internal control over financial reporting to determine the auditing 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 Town of Red River's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Red River's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting 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 function, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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 responses to be material weaknesses. The material weaknesses are described as 2012-002, 2015-001 and 2015-003.

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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 responses to be significant deficiencies. There were no significant deficiencies identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Red River'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 responses as items 2012-002, 2015-001, 2015-002 and 2015-003.

Town of Red River's Response to Findings

The Town of Red River's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town of Red River's responses were not subjected to 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 Town of Red River'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 Town of Red River's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Precision Accounting LLC

Precision Accounting LLC
Albuquerque, New Mexico
October 1, 2015

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STATE OF NEW MEXICO
TOWN OF RED RIVER
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

Section I – Prior year findings:

2010-002 [FS 10-02] Travel and Per Diem-Cleared
2012-002 [FS 12-02] Utility Billing –Repeated and Revised
2013-001 Noncompliance with State Audit Rule – Cleared
2013-002 Safeguarding of Town Assets – Cleared
2013-003 Noncompliance with Procurement Code – Cleared

Note: For traceability purposes, the audit finding reference numbers reported in prior year audit reports are presented in brackets, and where applicable, have been renumbered to comply with reporting standards.

Section II – Current year findings:

2012-002 [FS 12-02] Utility Billing (repeated and revised) - (Material Weakness)

CONDITION: During the performance of the internal control test work on verifying the billing process for utility customers, it was determined that the parameter for the sewer billable rates was incorrectly input into Caselle, the utilities billing and receipt system, which was not in accordance to the approved Utility billing ordinance rate calculation sheet. Although there were eight instances found where the utility bills were calculated incorrectly out of 15 different sewer rate calculations tested, this appears to be a systemic issue with the use of incorrect rate parameters. The lack of progress on this finding was due to an improper methodology and a lack of monitoring, resulting in the rate being rounded at four digits and not carried out to the full five digits.

CRITERIA: The Town's billing of sewer was not in accordance with the approved sewer rate as of July 2014. The Town had passed an ordinance to increase the utility rate of 2% for all accounts effective July 2014.

CAUSE: Management had requested that the utility clerk use a 0.007695 multiplier for per gallon cost as per approved rate increase sheet, however the clerk had overlooked the request and did not update the rates in the billing system.

EFFECT: Utility bills were processed using an incorrect sewer rate except for those bills that were charged a minimum flat rate, because the sewer rate was not updated with the new increased rate effective July 2014. As a result, the improper billing of utilities customers would affect the revenue collection of utilities by understating sewer utilities revenues.

RECOMMENDATION: It is recommended that management and the utility clerk monitor the billing process on a monthly process to ensure that the billing rates are correctly identified and used. This will minimal cost to the Town and improve the billing process from significant adjustments and misstated financials in utilities.

CLIENT RESPONSE: The rate sheet was correct. The rate table was not and was corrected immediately with the Town Administrator's supervision. Rate table was changed from 0.07694 to 0.076948. Future rate increase implementation will be reviewed by a second person prior to billing which will be effective immediately.

STATE OF NEW MEXICO
TOWN OF RED RIVER
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

2015-001 Revenue Understatement due to Late Posting of Credit Card Payment - (Material Weakness)

CONDITION: During the course of our Utilities internal control testwork, we noted numerous adjustments to remove penalties that were not made timely, such as adjustments made months later during the fiscal year and some were made after year end. Also, customer credit card information on file for monthly utility payments were not processed in a timely manner. Research indicated that this occurred four times in the fiscal year.

CRITERIA: Generally Accepted Accounting Principles regarding revenue recognition requires that revenues be captured accurately and reported promptly to ensure that revenues are recorded in the period earned.

CAUSE: Responsible parties did not exercise due care in processing credit card payments for utilities customers who had signed the credit card authorization form allowing the Town to debit their credit card for their monthly utility bill or processing penalties timely.

EFFECT: Utility revenues were misstated in the financial statements due untimely processing of credit card payments and processing of penalties and adjustments. At year end, revenue was understated in the amount of \$92.12 because the credit card payment was not recorded until the adjustment was made in July 2015. Additional time and staff resources were necessary to identify and resolve the revenue issues throughout the fiscal year. This issue has been a reoccurring issue as identified in prior years with no set corrective action in place.

RECOMMENDATION: We recommend that the Town establish a procedure that requires credit card payments to be processed and posted prior to the due date of the bills and that there is sufficient oversight to verify that the posting has occurred. We also recommend that the Town review on a monthly basis delinquent accounts to process and adjust penalties timely.

CLIENT RESPONSE: Effective immediately the Assistant Clerk will run a delinquency report prior to penalties being run. The Assistance Clerk will review the report for any credit card customers. Once the Assistant Clerk has verified that no credit card customers are on the report they will initial the report and keep a copy in the credit card book for future back up. In the event that a credit card customer appears on the report the credit card will then be processed prior to the penalties being run. The credit card customer should be circled on the report and marked with the date charged to show that the process has been completed.

2015-002 Supporting Documentation - (Other Matter)

CONDITION: During our test work of disbursements, we noted one (1) instance out of one hundred and nine (190) vouchers tested where the expenditure did not have adequate supporting documentation. This disbursement is a re-occurring monthly expense under a bid contract.

CRITERIA: The Town of Red River Policy and the NM Procurement Code (13-1-28 to 13-1-199 NMSA 1978) require that 1) all invoicing must be performed in a timely manner and 2) support documents must accompany all expenses, be reviewed, and signed off by management prior to payment.

CAUSE: The Town staff paid the invoices based on the bid contract without supporting documentation for the services rendered. ** We noted in the fiscal year 2015-2016 that supporting documentation has been requested and received before payments are made under the contract. **

EFFECT: Although there is a bid contract in place, there is no audit trail available to determine that services were performed in accordance with the contract.

RECOMMENDATION: The Town should require supporting documentation on all payments made prior to disbursement to ensure that there is an audit trail.

CLIENT RESPONSE: The Town of Red River went out to RFP for "Lobbying service" and awarded the contract with the stipulation that monthly invoices needed to be submitted and the awarded lobbyist must report to the governing body on a quarterly basis. This corrective action plan is effective immediately.

STATE OF NEW MEXICO
TOWN OF RED RIVER
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

2015-003 Revenue misstatement - (Material Weakness)

CONDITION: During the course of our receipts internal control testwork, we noted one instance where one receipt out of forty receipts tested was posted to the wrong fund for a utility payment. Utility revenues are recorded in total at the end of each month. In September, the water revenue was not posted to the correct fund. A payment for the water utility portion in the amount of \$27,822 was posted to the sewer revenue account instead of the water revenue account.

CRITERIA: Generally Accepted Accounting Principles regarding revenue recognition requires that revenues be reported in the proper fund and account and classified properly.

CAUSE: Management had mistyped the fund account for the posting of the September utility receipt at month end.

EFFECT: Utility revenues are misstated in the general ledger due to the incorrect posting of the September water revenue receipt. This resulted in the water revenues understated by \$27,822 and the sewer revenues overstated by \$27,882.

RECOMMENDATION: There would be minimal cost to implement a corrective action plan. We recommend that the Town create a report that compares account balances from one period to another which can help monitor the revenue trends and provide an insight to any unusual or unexpected deviations observed between periods.

CLIENT RESPONSE: Effective immediately the Finance Director will seek review of JV entries with respect to utility payments from the Town Administrator so the work may be checked for correctness. Also, a review of the general ledger for that month for those funds will be compared to the month prior to make sure JV entries were recorded to the correct funds. A copy of these will be put with the copies of the unposted transaction report for that month as back up that the entries were done correctly.

STATE OF NEW MEXICO
TOWN OF RED RIVER
OTHER DISCLOSURES
Year Ended June 30, 2015

A. AUDITOR PREPARED FINANCIAL STATEMENTS

It would be preferred and desirable for the Town to prepare its own GAAP-basis financial statements; however, it was determined that the Town's personnel, who is qualified to perform this task, does not have the time to prepare them. Although the financial statements are the responsibility of the Town, the preparation of those statements was included in the contract as services to be provided by the auditor. As such the outside auditor prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report.

B. EXIT CONFERENCE

The contents of this report were discussed on October 1, 2015. The following individuals were in attendance.

Town of Red River

Linda Calhoun, Mayor
Georgiana Rael, Town Administrator
Kelly Cherry, Finance Manager
George Woerndle, Council

Precision Accounting LLC

Melissa R. Santistevan, CPA, CFE, CICA, CGMA
Mei Y. To, CPA