



State of  
New Mexico  
Eddy County

Annual Financial Report  
For the Year Ended June 30, 2017



**EDDY COUNTY**  
— *New Mexico* —

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## **INTRODUCTORY SECTION**

Eddy County  
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June 30, 2017

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**STATE OF NEW MEXICO**

Eddy County  
Official Roster  
June 30, 2017

| <b><u>Name</u></b> | <b><u>County Commission</u></b> | <b><u>Title</u></b>        |
|--------------------|---------------------------------|----------------------------|
| Stella Davis       |                                 | Chairman, District IV      |
| Susan Crockett     |                                 | Vice-Chairman, District V  |
| James Walterscheid |                                 | Commissioner, District I   |
| Larry Wood         |                                 | Commissioner, District II  |
| Jonathan Henry     |                                 | Commissioner, District III |

**Elected Officials**

|                 |                  |
|-----------------|------------------|
| Gemma Ferguson  | County Assessor  |
| Robin Van Natta | County Clerk     |
| Mark Cage       | County Sheriff   |
| Laurie Pruitt   | County Treasurer |

**Administrative Officials**

|                 |                  |
|-----------------|------------------|
| Rick Rudometkin | County Manager   |
| Roberta Smith   | Finance Director |

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## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Timothy Keller  
New Mexico State Auditor  
The Office of Management and Budget and  
Eddy County Commissioners  
Eddy County  
Carlsbad, New Mexico

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the General Fund and major special revenue fund of Eddy County (the "County"), as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' 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 audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County'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 County'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 financial statement presentation.

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Eddy County, as of June 30, 2017, and the respective changes in financial position thereof, and the respective budgetary comparisons for the General Fund and major special revenue fund 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 through 21 and Schedules I and II and the Notes to Required Supplementary Information on pages 78 through 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Supporting Schedules III through VII 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 combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards and Supporting Schedules III through VII required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards and Supporting Schedules III through VII required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section 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 November 27, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

RPC CPAs + Consultants LLP

RPC CPAs + Consultants, LLP  
Albuquerque, NM  
November 27, 2017

**STATE OF NEW MEXICO**  
Eddy County  
Management Discussion and Analysis  
For the Year Ended June 30, 2017

This discussion and analysis of the County of Eddy's financial performance provides an overview of the County's financial activities for the fiscal year ending June 30, 2017. The MD&A should be read in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

***FINANCIAL HIGHLIGHTS***

- The information in the MD&A does not include the information related to the discretely presented component unit, Regional Emergency Dispatch Authority (the Authority). The Authority has separately issued financial statements which do not include an MD&A.
- The assets of the County exceeded liabilities at the close of FY 2017 by \$191,273,667 (net position) for a decrease of 2% from 2016. Of this amount, \$59,250,836 is restricted for specific purposes. As required by GASB 34, net assets also reflect \$133,686,132 that represents the net investment in capital assets.
- In contrast to the government wide statements, the fund statements report a combined fund balance at year-end of \$82,573,653.
- Eddy County has no General Obligation Bond indebtedness.
- Eddy County has no Revenue Bond indebtedness.
- Eddy County has one (1) Industrial Revenue Bond for Enterprise Field Services, LLC.
- Eddy County has seven lease purchase agreements for heavy equipment used at the Sandpoint Landfill of which two will mature during FY 2018, two will mature in FY 2019, one will mature in FY 2020, and two will mature during FY 2021.
- Program revenue for capital grants and contributions decreased significantly in FY 2017, reporting \$1,424,709 compared to FY 2016 where there was \$43,267,415 program revenue reported, a decrease of 97% due to receiving less FEMA money.
- Oil and Gas production and equipment taxes decreased slightly from 2016 to 2017 from \$15,060,246 to \$15,048,692.
- Gross receipts taxes were up from 2016 to 2017. Amounts were \$14,017,899 and \$17,868,758 respectively.
- Overall expenses increased 3% to \$65,886,636. This was mainly due to increases in pension expenditures.
- Overall fund balance showed a 24% decrease for 2017 with \$82,573,653 in respect to 2016 \$107,762,641. This was mainly due to expensing FEMA cash carryover from last FY.

***OVERVIEW OF FINANCIAL STATEMENTS***

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of related cash flows.

The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them 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 County is improving or deteriorating.

The statement of activities presents information showing how the County's 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 result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public works, culture and recreation, health and welfare, and interest on long-term debt.

**STATE OF NEW MEXICO**  
Eddy County  
Management Discussion and Analysis  
For the Year Ended June 30, 2017

**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 County, 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 County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows 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 evaluating a government's near-term financing requirements. Because of the focus of governmental funds is narrower than that of 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 County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. Types of funds include general fund, special revenue funds, capital projects funds, debt service funds, and special assessment funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of supplementary individual and combining schedules.

**Proprietary Funds.** These include internal service funds and enterprise funds. The County does not currently maintain any 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 statements because the resources of those funds are not available to support the County'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 the fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements.

**STATE OF NEW MEXICO**  
**Eddy County**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2017**

**Government-wide Financial Analysis**

As previously noted, net position may serve over time as a useful indicator of a government's financial position. The County's governmental-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$191,273,667 for the fiscal year ending June 30, 2017. The County did have deferred outflows and inflows related to pensions in the amounts of \$16,359,574 and \$491,153 respectively. The largest part of the County's net position (approximately 70%) reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment) less any related debt used to acquire those assets, which is still outstanding. The County uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's net position for fiscal year ended June 30, 2016 and 2017 are summarized as follows.

| EDDY COUNTY NET POSITION                        |                |                |
|---|----------------|----------------|
|   | 2016           | 2017           |
| Current and Other Assets                        | \$ 112,543,224 | \$ 87,743,873  |
| Capital Assets (net of depreciation)            | 108,245,569    | 135,887,914    |
| Deferred Outflows                               | 5,442,280      | 16,359,574     |
| Total Assets and Deferred Outflows              | \$ 226,231,073 | \$ 239,991,361 |
| Current Liabilities                             | \$ 4,421,460   | \$ 5,926,912   |
| Long-Term Liabilities                           | 27,083,357     | 42,299,629     |
| Deferred Inflow                                 | 764,203        | 491,153        |
| Total Liabilities and Deferred Inflows          | \$ 32,269,020  | \$ 48,717,694  |
| Net Position:                                   |                |                |
| Invested in capital assets, net of related debt | \$ 105,496,715 | \$ 133,686,132 |
| Restricted                                      | 87,707,181     | 59,250,836     |
| Unrestricted                                    | 758,157        | (1,663,301)    |
| Total Net Position                              | \$ 193,962,053 | \$ 191,273,667 |

At the end of the current fiscal year, the County reported positive balances in two of the three categories of net position. There was a negative balance in unrestricted due to the pension liability. Last year, the County reported positive balances in all three categories of net position.

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**Changes in net position.** The County's total revenues for the current fiscal year were \$63.2 million. The total cost of all programs and services was \$65.9 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2016 and June 30, 2017.

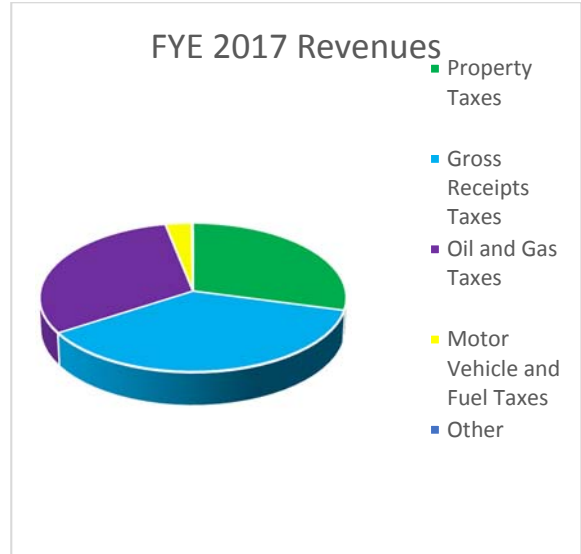
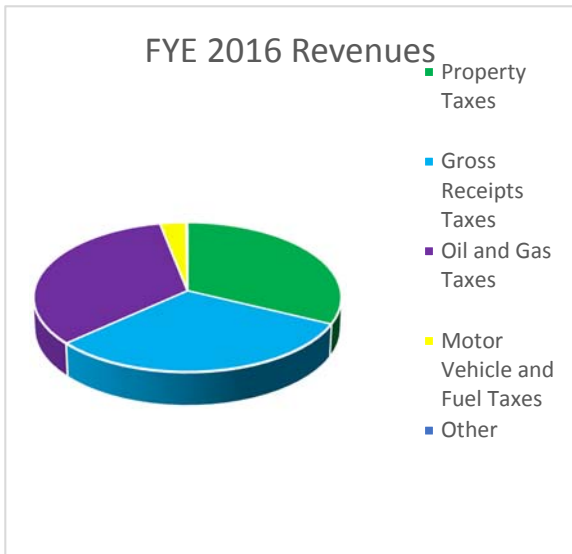
| STATEMENT OF ACTIVITIES                   |                             |                             |
|---|-----------------------------|-----------------------------|
|   | Year Ended<br>June 30, 2016 | Year Ended<br>June 30, 2017 |
| <b>Revenues:</b>                          |                             |                             |
| Program Revenues:                         |                             |                             |
| Charges for Services                      | \$ 2,680,533                | \$ 2,508,124                |
| Operating Grants and Contributions        | 6,971,556                   | 3,971,887                   |
| Capital Grants and Contributions          | 43,267,415                  | 1,424,709                   |
| General Revenues:                         |                             |                             |
| Property Tax                              | 14,437,236                  | 14,153,979                  |
| Gross Receipts Taxes                      | 14,017,899                  | 17,868,758                  |
| Oil and Gas Taxes                         | 15,060,246                  | 15,048,692                  |
| Motor Vehicle and Fuel Taxes              | 1,326,837                   | 1,452,318                   |
| Other Taxes                               | 77,925                      | 78,265                      |
| Refund and Recoveries                     | 562,062                     | -                           |
| Local Sources                             | -                           | 1,073,848                   |
| Payment in lieu of taxes                  | -                           | 3,509,582                   |
| Miscellaneous Revenue                     | 982,511                     | 1,697,515                   |
| Unrestricted Investment Earnings          | 404,294                     | 329,874                     |
| Gain (Loss) on Disposal of Capital Assets | (642,992)                   | 80,699                      |
| Transfers In From Agency Fund             | 1,169                       | -                           |
| <b>Total Revenues</b>                     | <b>99,146,691</b>           | <b>63,198,250</b>           |
| <b>Expenses:</b>                          |                             |                             |
| General Government                        | 12,506,308                  | 18,810,714                  |
| Public Safety                             | 29,000,760                  | 27,711,830                  |
| Highway and Roads                         | 11,600,332                  | 10,743,139                  |
| Health and Sanitation                     | 10,892,180                  | 8,501,075                   |
| Culture and Recreation                    | 46,040                      | 119,878                     |
| <b>Total Expenses</b>                     | <b>64,045,620</b>           | <b>65,886,636</b>           |
| <b>Changes in Net Position</b>            | <b>\$ 35,101,071</b>        | <b>\$ (2,688,386)</b>       |



**STATE OF NEW MEXICO**  
**Eddy County**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2017**

Governmental activity revenues decreased in FY 2017 from \$99,146,691 in 2016 to \$63,198,250 in 2017; a decrease of 37%. Key elements in the decrease of governmental activities revenues are as follows:

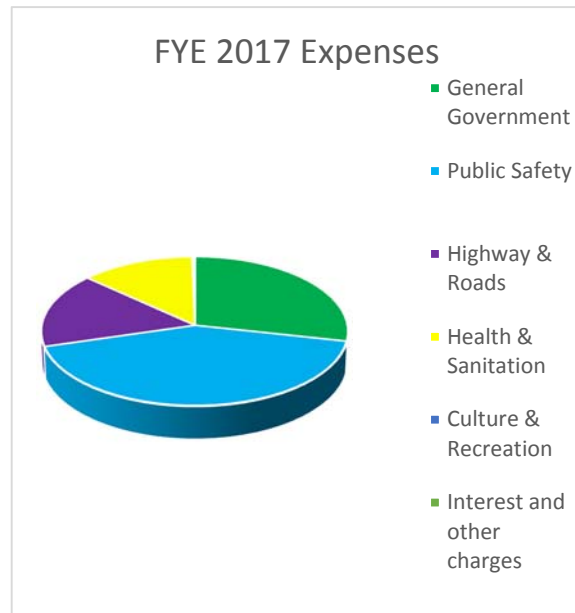
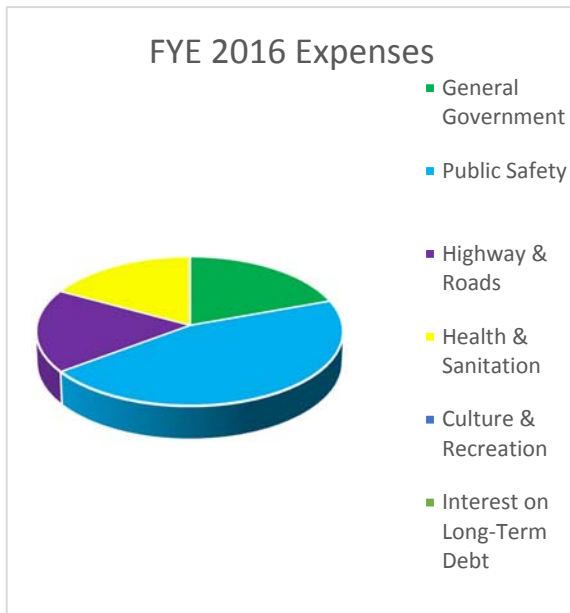
- Program revenues for capital grants and contributions had \$1,424,709 for FY 2017, compared to FY 2016 where there was \$43,267,415.
- Gross receipts increased in FY 2017, up \$3.9 million to \$17.9 million, compared to FY 2016 at \$14 million.
- Oil and gas taxes decreased slightly in FY 2017, down \$11,554 to \$15 million, compared to FY 2015 at \$15.1 million



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**For the Year Ended June 30, 2017**

Governmental activities expenses increased by approximately 3% from \$64 million in FY 2016 to \$65.9 million in FY 2017. Key elements in the increase of governmental activities expenses are as follows:

- General governmental expenses increased by 34% from \$12.5 million in FY 2016 to \$18.8 million in FY 2017. Increase was due to FEMA expenses.
- Public safety expenses decreased by approximately 5%, down to \$27.7 million in FY 2017 compared to \$29 million in FY 2016. Decreases were mainly due to no capital funding in the sheriff department and 15 frozen positions in the detention center.
- Highways and road expenses decreased 8% to \$10.7 million in FY 2017 compared to the previous FY 2016 at \$11.6 million. This was due to less capital spending in the Road department.
- Health and sanitation decreased by 22% from \$10.9 million in FY 2016 to \$8.5 million in FY 2017. This was due to the NM safety net and Medicaid payments coming in almost \$2 million less than the prior year.
- Culture and recreation increased significantly by 161% from \$46K in FY 2016 to \$120K in FY 2017.



***FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS***

**Governmental Funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year 2017, the County's governmental funds reported combined ending fund balances of \$82,573,653 a decrease of \$25.2 million over fiscal year 2016. This was a result of using FEMA cash balance in FY 2017 to fund expenses. The general fund's fund balance increased by 22% to \$23.4 million in FY 2017 compared to \$19.2 million in FY 2016. The reason for the \$4 million increase is the difference in unassigned fund balance between the two fiscal years. Overall, general fund's FY 2017 assets and liabilities were \$24.8 million and \$1.1 million respectively compared to FY 2016 \$22 million and \$1.5 million respectively.

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***BUDGETARY HIGHLIGHTS – BUDGET TO ACTUAL***

The state of New Mexico budget process is defined under state law and regulation under the guidance of the Department of Finance and Administration, Local Government Division. Original budgets are submitted to the Board of County Commissioners DFA/LGD each year in June for approval. Any budget changes during the year are also submitted to DFA/LGD for approval.

General Fund revenues were under budgetary estimates by (\$342,619). General fund expenditures were less than budgetary estimates by \$3.9 million as of June 30, 2017, thus the County did not have to draw on existing fund balance.

***CAPITAL ASSETS AND DEBT ADMINISTRATION***

|   |  |
|---|--|
| Capital Assets. The County's investment in capital assets for its governmental activities as of June 30, 2017 amounts to \$135,887,914 (net of accumulated depreciation). These investments in capital assets include buildings and building improvements, infrastructure, equipment and furnishings, and construction in progress. |  |
| Major capital events during the fiscal year ending June 30, 2017 included the following:  |  |
|   |  |
| •   | Eddy County's Assessors Office started software conversion in Q1 of 2016 with a budget of \$265,750. The project completion date was May 2017 with a total cost of \$315,389.42.   |
| •   | Eddy County's Treasurers Office started software conversion in Q1 of 2016 with a budget of \$180,190. The project completion date was December 2016 with a total cost of \$146,913.63.   |
| •   | Infrastructures - several road projects were either started or in progress in FY 2017 including Bramble Road, Standpipe Road and various FEMA roads, including the completion of Crossbuck Road, Trails End Road, and Dillahunt Road. In total, approximately \$29.9 million was spent in FY17.  |
| •   | The Riverside, Malaga, Queen, and Otis Volunteer Fire Department purchased various fire trucks in the amounts of \$244,921, \$259,103, \$349,500, and \$561,194 for a total cost of \$1,414,718.16 in FY17.  |
| •   | The Eddy County Fire Service Department purchased a Spectroscopy Identification System in FY17 for a total cost of \$106,250, utilized by the Eddy County Fire Service Department in conjunction with the Carlsbad Fire Department.  |
| •   | The Eddy County 60% Fund approved \$1M for paving projects for the Fire Service Complex, Sun Country VFD, Loco Hills VFD, and Cottonwood VFD. The Fire Service Complex project completed in FY17 with a total cost of \$166,277. The Sun Country VFD project completed in FY17 with a total cost of \$199,294. The Loco Hills VFD project completed in FY17 with a total cost of \$178,195. The Cottonwood VFD project completed in FY17 with a total cost of \$186,442. |
| •   | The Otis VFD budgeted \$240,000 for the station paving project. Otis VFD has spent \$240,000 of the budgeted amount along with \$130,459 from the Road and Fire Excise Fund (combined) and will be completed in FY18.  |
| •   | The Eddy County Detention Center purchased a Motorola Base Radio System for a total cost of \$170,727.   |
| •   | The Eddy County Detention Center budgeted \$125,000 for the County portion of the Sewer Lift Station sharing the cost with the City of Carlsbad. The project was completed in FY17 with the Eddy County Detention Center total cost of \$115,898.  |

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**Capital Assets Activity.** A summary of capital assets and changes occurring during the year ended June 30, 2017 follows. Land is not subject to depreciation.

| <b>Governmental activities:</b>                   | <b>Balance<br/>June 30, 2016</b> | <b>Transfers</b> | <b>Additions</b>     | <b>Deletions</b>     | <b>Balance<br/>June 30, 2017</b> |
|---|----------------------------------|------------------|----------------------|----------------------|----------------------------------|
| Capital assets not being depreciated:             |                                  |                  |                      |                      |                                  |
| Land  | \$ 2,662,978                     | \$ -             | \$ -                 | \$ -                 | \$ 2,662,978                     |
| Construction in progress                          | 19,951,552                       | -                | 34,389,677           | 11,968,359           | 42,372,870                       |
| <b>Total capital assets not being depreciated</b> | <b>22,614,530</b>                | <b>-</b>         | <b>34,389,677</b>    | <b>11,968,359</b>    | <b>45,035,848</b>                |
| Capital assets being depreciated:                 |                                  |                  |                      |                      |                                  |
| Landfill  | 686,696                          | -                | -                    | 686,696              | -                                |
| Buildings and improvements                        | 70,152,515                       | -                | 179,483              | 193,402              | 70,138,596                       |
| Other improvements                                | 5,495,531                        | -                | 730,211              | -                    | 6,225,742                        |
| Infrastructure                                    | 145,662,638                      | -                | 11,514,132           | 564,338              | 156,612,432                      |
| Equipment and furnishings                         | 34,522,647                       | -                | 2,912,038            | 1,003,690            | 36,430,995                       |
| Equipment - Capital Leases                        | 3,241,873                        | -                | -                    | -                    | 3,241,873                        |
| <b>Total capital assets being depreciated</b>     | <b>259,761,900</b>               | <b>-</b>         | <b>15,335,864</b>    | <b>2,448,126</b>     | <b>272,649,638</b>               |
| Less accumulated depreciation:                    |                                  |                  |                      |                      |                                  |
| Buildings and improvements                        | 22,143,464                       | -                | 1,879,228            | 83,135               | 23,939,557                       |
| Other improvements                                | 2,237,152                        | -                | 137,558              | -                    | 2,374,710                        |
| Infrastructure                                    | 128,534,114                      | -                | 3,855,793            | 524,849              | 131,865,058                      |
| Equipment and furnishings                         | 21,216,131                       | (654,579)        | 2,538,253            | 847,219              | 22,252,586                       |
| Equipment - Capital Leases                        | -                                | 654,579          | 711,082              | -                    | 1,365,661                        |
| <b>Total accumulated depreciation</b>             | <b>174,130,861</b>               | <b>-</b>         | <b>9,121,914</b>     | <b>1,455,203</b>     | <b>181,797,572</b>               |
| <b>Total capital assets, net of depreciation</b>  | <b>\$ 108,245,569</b>            | <b>\$ -</b>      | <b>\$ 40,603,627</b> | <b>\$ 12,961,282</b> | <b>\$ 135,887,914</b>            |

The major activities in capital assets for the year was the purchase of four fire truck pumper/tankers, completion of Bramble Road, various volunteer fire station paving projects, and FEMA project roads such as Crossbuck, Trails End, and Dillahunty.

**STATE OF NEW MEXICO**  
Eddy County  
Management Discussion and Analysis  
For the Year Ended June 30, 2017

**Debt Administration.**

Eddy County has seven lease purchase agreements for heavy equipment used at the Sandpoint Landfill of which, two will mature during FY 2018, two will mature in FY 2019, one will mature in FY 2020, and two will mature during FY 2021. These leases are being paid for out of the Environmental Fund.

In August 2009, Eddy County approved an ordinance authorizing the issuance and sale of taxable industrial revenue bonds (HB Potash, LLC Project) Series 2009 in a maximum principal amount of \$60,000,000 to provide funds to finance the acquisition and construction of an Industrial Revenue Bond Manufacturing Facility to be used by HB Potash, LLC for the manufacturing and processing of potash. In September of 2016, this IRB was terminated.

In July 2010, Eddy County approved an ordinance authorizing the issuance and sale of taxable industrial revenue bonds (Intrepid Potash-New Mexico, LLC Langbeinite Recovery Improvement Project) Series 2010 in a maximum principal amount of \$90,000,000 to provide funds to finance the acquisition and construction of an Industrial Revenue Bond Manufacturing facility to be used by Intrepid Potash-New Mexico, LLC for the manufacturing and processing of potash. In September 2016, this IRB was terminated.

In June 2015, Eddy County authorized the issuance and sale of taxable industrial revenue bonds (Enterprise Field Services, LLC Project) Series 2015 in a maximum principal amount of \$600,000,000 to provide funds to finance the acquisition and construction of an Industrial Revenue Bond Manufacturing facility to be used by Enterprise Field Services, LLC for the manufacturing and processing of natural gas.

***ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES***

Several strategic objectives were of highest priority when developing the fiscal year 2017-2018 budget:

- Operating within a business plan that is based on sustainable resources, measured performance and outstanding customer service
- Supporting public safety programs
- Investing in community infrastructure in facilities and road improvements to support economic development
- Planning for long-term capital facility and personnel needs
- Maintaining a professional county staff that will meet the needs of the citizens of Eddy County

Budget Objectives

- Eddy County will have a balanced budget for FY 2017-2018
- No operational increase to be given.
- Personnel budget will include annual step increases.
- Capital expense requests will not be looked at until the FY begins.

***REQUEST FOR INFORMATION***

This financial report is designed to provide a general overview of the County's finances. If you have questions about this report or need additional information, please contact the Director of Finance, Eddy County 101 W. Greene St., Carlsbad, NM 88220.

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**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
Eddy County  
Statement of Net Position  
June 30, 2017

|   | <b>Primary<br/>Government</b>      | <b>Component Unit</b>                                    |
|---|------------------------------------|--|
|   | <b>Governmental<br/>Activities</b> | <b>Regional<br/>Emergency<br/>Dispatch<br/>Authority</b> |
| <b>Assets</b>   |                                    |  |
| Current assets  |                                    |  |
| Cash and cash equivalents   | \$ 63,602,916                      | \$ 98,375  |
| Investments   | 16,667,584                         | -  |
| Receivables:  |                                    |  |
| Property taxes  | 613,504                            | -  |
| Other taxes   | 5,674,648                          | -  |
| Intergovernmental   | 263,486                            | 261,660  |
| Other receivables   | 448,347                            | 417  |
| Prepaid expenses  | 473,388                            | -  |
| Total current assets  | <u>87,743,873</u>                  | <u>360,452</u>   |
| Noncurrent assets   |                                    |  |
| Capital assets  | 317,685,486                        | 2,201,610  |
| Less: accumulated depreciation  | <u>(181,797,572)</u>               | <u>(540,278)</u>   |
| Total noncurrent assets   | <u>135,887,914</u>                 | <u>1,661,332</u>   |
| <i>Total assets</i>   | <u>223,631,787</u>                 | <u>2,021,784</u>   |
| <b>Deferred outflows of resources</b>   |                                    |  |
| Changes in proportion   | 2,557,155                          | 200,735  |
| Changes of assumption   | 2,449,335                          | 74,011   |
| Difference between expected and actual experience                                   | 2,303,083                          | 63,062   |
| Net difference between projected and actual earnings<br>on pension plan investments | 6,960,093                          | 232,234  |
| Employer contributions subsequent to the measurement date                           | <u>2,089,908</u>                   | <u>80,120</u>  |
| <i>Total deferred outflows of resources</i>   | <u>16,359,574</u>                  | <u>650,162</u>   |
| <i>Total assets and deferred outflows of resources</i>                              | <u>\$ 239,991,361</u>              | <u>\$ 2,671,946</u>                                      |

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



|   | <b>Primary<br/>Government</b>      | <b>Component Unit</b>                                    |
|---|------------------------------------|--|
|   | <b>Governmental<br/>Activities</b> | <b>Regional<br/>Emergency<br/>Dispatch<br/>Authority</b> |
| <b>Liabilities</b>  |                                    |  |
| Current liabilities   |                                    |  |
| Accounts payable  | \$ 4,089,822                       | \$ 8,518   |
| Accrued expenses  | 732,597                            | 48,870   |
| Current portion of accrued compensated absences                           | 357,956                            | 35,166   |
| Current portion of capital leases   | 746,537                            | -  |
| Total current liabilities   | <u>5,926,912</u>                   | <u>92,554</u>  |
| Noncurrent liabilities  |                                    |  |
| Noncurrent portion of accrued compensated absences                        | 609,493                            | -  |
| Noncurrent portion of capital leases                                      | 1,455,245                          | -  |
| Noncurrent portion of working capital loan                                | -                                  | 315,000  |
| Net pension liability   | 40,234,891                         | 1,262,154  |
| Total noncurrent liabilities  | <u>42,299,629</u>                  | <u>1,577,154</u>   |
| <i>Total liabilities</i>  | <u>48,226,541</u>                  | <u>1,669,708</u>   |
| <b>Deferred inflows of resources</b>                                      |                                    |  |
| Change of assumption  | 233,647                            | 210  |
| Difference between expected and actual experience                         | 257,506                            | 12,318   |
| <i>Total deferred inflows of resources</i>                                | <u>491,153</u>                     | <u>12,528</u>  |
| <b>Net position</b>   |                                    |  |
| Net investment in capital assets  | 133,686,132                        | 1,346,332  |
| Restricted for:   |                                    |  |
| Capital projects  | 18,078,747                         | -  |
| Other purposes - special revenue  | 41,172,089                         | -  |
| Unrestricted  | <u>(1,663,301)</u>                 | <u>(356,622)</u>   |
| <i>Total net position</i>   | <u>191,273,667</u>                 | <u>989,710</u>   |
| <i>Total liabilities, deferred inflows of resources, and net position</i> | <u>\$ 239,991,361</u>              | <u>\$ 2,671,946</u>                                      |

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

**STATE OF NEW MEXICO**  
Eddy County  
Statement of Activities  
For the Year Ended June 30, 2017

| <u>Functions/Programs</u>             | <u>Expenses</u>      | <u>Program Revenues</u>     |   |
|---------------------------------------|----------------------|-----------------------------|---|
|                                       |                      | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> |
| <b>Primary government</b>             |                      |                             |   |
| Governmental activities:              |                      |                             |   |
| General government                    | \$ 18,810,714        | \$ 836,463                  | \$ 92,418                                 |
| Public safety                         | 27,711,830           | 1,052,741                   | 2,896,614                                 |
| Culture and recreation                | 119,878              | -                           | 42,189                                    |
| Health and welfare                    | 8,501,075            | 574,870                     | 384,146                                   |
| Highways and roads                    | 10,743,139           | 44,050                      | 556,520                                   |
| <i>Total governmental activities</i>  | <u>\$ 65,886,636</u> | <u>\$ 2,508,124</u>         | <u>\$ 3,971,887</u>                       |
| <b>Component unit:</b>                |                      |                             |   |
| Regional Emergency Dispatch Authority | <u>\$ 2,227,328</u>  | <u>\$ 236</u>               | <u>\$ 1,725,473</u>                       |

**General revenues:**

Taxes:

- Property
- Gross receipts
- Gasoline and motor vehicle
- Oil and gas
- Other

Local sources

- Payment in lieu of taxes
- Miscellaneous revenue
- Investment income
- Gain on asset disposal

Total general revenues

Change in net position

Net position - beginning of year

Net position - restatement (Note 21)

*Net position - beginning of year, as restated*

*Net position - end of year*

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

| <u>Program Revenues</u>                         | <u>Net Revenue<br/>(Expense) and<br/>Changes in Net<br/>Position</u> | <u>Component Unit<br/>Regional<br/>Emergency<br/>Dispatch<br/>Authority</u> |
|---|--|---|
| <u>Capital<br/>Grants and<br/>Contributions</u> |  |   |
| \$ 1,389,709                                    | \$ (16,492,124)  | \$ -  |
| -   | (23,762,475)   | -   |
| -   | (77,689)   | -   |
| -   | (7,542,059)  | -   |
| <u>35,000</u>                                   | <u>(10,107,569)</u>  | <u>-</u>  |
| <u>\$ 1,424,709</u>                             | (57,981,916)   | -   |
| <u>\$ 379,601</u>                               | -  | (122,018)   |
|   | 14,153,979   | -   |
|   | 17,868,758   | -   |
|   | 1,452,318  | -   |
|   | 15,048,692   | -   |
|   | 78,265   | -   |
|   | 1,073,848  | -   |
|   | 3,509,582  | -   |
|   | 1,697,515  | 250   |
|   | 329,874  | -   |
|   | 80,699   | -   |
|   | <u>55,293,530</u>  | <u>250</u>  |
|   | <u>(2,688,386)</u>   | <u>(121,768)</u>  |
|   | 193,962,053  | 1,180,240   |
|   | <u>-</u>   | <u>(68,762)</u>   |
|   | <u>193,962,053</u>   | <u>1,111,478</u>  |
|   | <u>\$ 191,273,667</u>  | <u>\$ 989,710</u>   |

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

**STATE OF NEW MEXICO**

Eddy County  
Governmental Funds  
Balance Sheet  
June 30, 2017

|  | <u>General</u>       | <u>FEMA<br/>Special Revenue Fund</u> |
|--|----------------------|--------------------------------------|
| <i>Assets</i>  |                      |                                      |
| Cash and cash equivalents  | \$ 3,341,829         | \$ 9,146,514                         |
| Investments  | 16,667,584           | -                                    |
| Receivables:   |                      |                                      |
| Property taxes   | 613,504              | -                                    |
| Other taxes  | 3,656,755            | -                                    |
| Intergovernmental  | 32,301               | -                                    |
| Other receivables  | 49,339               | -                                    |
| Prepaid expenses   | 473,388              | -                                    |
| <i>Total assets</i>  | <u>\$ 24,834,700</u> | <u>\$ 9,146,514</u>                  |
| <br><i>Liabilities, deferred inflows of resources, and fund balance</i>    |                      |                                      |
| <i>Liabilities</i>   |                      |                                      |
| Accounts payable   | \$ 493,636           | \$ 3,099,563                         |
| Accrued payroll  | 590,570              | -                                    |
| <i>Total liabilities</i>   | <u>1,084,206</u>     | <u>3,099,563</u>                     |
| <br><i>Deferred inflows of resources</i>                                   |                      |                                      |
| Unavailable revenue - property taxes                                       | 347,801              | -                                    |
| <i>Total deferred inflows of resources</i>                                 | <u>347,801</u>       | <u>-</u>                             |
| <br><i>Fund balances</i>   |                      |                                      |
| Nonspendable for prepaid expenses  | 473,388              | -                                    |
| Spendable  |                      |                                      |
| Restricted for:  |                      |                                      |
| General county operations  | -                    | -                                    |
| Disaster relief  | -                    | 6,046,951                            |
| Fire departments   | -                    | -                                    |
| Road maintenance   | -                    | -                                    |
| Environmental  | -                    | -                                    |
| Public safety  | -                    | -                                    |
| Healthcare   | -                    | -                                    |
| Community improvement  | -                    | -                                    |
| Capital expenditures   | -                    | -                                    |
| Minimum fund balance   | 8,155,505            | -                                    |
| Committed for:   |                      |                                      |
| Capital expenditures   | -                    | -                                    |
| Unassigned   | 14,773,800           | -                                    |
| <i>Total fund balances</i>   | <u>23,402,693</u>    | <u>6,046,951</u>                     |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 24,834,700</u> | <u>\$ 9,146,514</u>                  |

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

| <b>Road Construction<br/>Capital Projects Fund</b> | <b>Other Governmental<br/>Funds</b> | <b>Total Governmental<br/>Funds</b> |
|--|-------------------------------------|-------------------------------------|
| \$ 13,592,295                                      | \$ 37,522,278                       | \$ 63,602,916                       |
| -  | -                                   | 16,667,584                          |
| -  | -                                   | 613,504                             |
| -  | 2,017,893                           | 5,674,648                           |
| -  | 231,185                             | 263,486                             |
| -  | 399,008                             | 448,347                             |
| -  | -                                   | 473,388                             |
| <b>\$ 13,592,295</b>                               | <b>\$ 40,170,364</b>                | <b>\$ 87,743,873</b>                |
| -  | 496,623                             | 4,089,822                           |
| -  | 142,027                             | 732,597                             |
| -  | 638,650                             | 4,822,419                           |
| -  | -                                   | 347,801                             |
| -  | -                                   | 347,801                             |
| -  | -                                   | 473,388                             |
| -  | 1,810,227                           | 1,810,227                           |
| -  | -                                   | 6,046,951                           |
| -  | 14,648,689                          | 14,648,689                          |
| -  | 4,173,137                           | 4,173,137                           |
| -  | 6,143,282                           | 6,143,282                           |
| -  | 1,909,395                           | 1,909,395                           |
| -  | 5,745,182                           | 5,745,182                           |
| -  | 25,369                              | 25,369                              |
| -  | 4,486,452                           | 4,486,452                           |
| -  | 589,981                             | 8,745,486                           |
| 13,592,295   | -                                   | 13,592,295                          |
| -  | -                                   | 14,773,800                          |
| <b>13,592,295</b>                                  | <b>39,531,714</b>                   | <b>82,573,653</b>                   |
| <b>\$ 13,592,295</b>                               | <b>\$ 40,170,364</b>                | <b>\$ 87,743,873</b>                |

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

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**STATE OF NEW MEXICO**  
Eddy County  
Governmental Funds  
Reconciliation of the Balance Sheet to the Statement of Net Position  
June 30, 2017

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

|   |                       |
|---|-----------------------|
| Fund balances - total governmental funds  | \$ 82,573,653         |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds  | 135,887,914           |
| Other noncurrent assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:   |                       |
| Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities | 347,801               |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in funds:  |                       |
| Deferred outflows of resources related to employer contributions subsequent to the measurement date   | 2,089,908             |
| Deferred outflows of resources related to changes in proportion   | 2,557,155             |
| Deferred outflows of resources related to changes of assumption   | 2,449,335             |
| Deferred outflows of resources related to difference between projected and actual experience  | 2,303,083             |
| Deferred outflows of resources related to net difference between projected and actual investment earnings on pension plan investments   | 6,960,093             |
| Deferred inflows of resources related to change of assumptions  | (233,647)             |
| Deferred inflows of resources related to difference between projected and actual experience   | (257,506)             |
| Certain liabilities, including bonds payable, notes payable, and current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:                             |                       |
| Compensated absences not due and payable  | (967,449)             |
| Capital leases payable  | (2,201,782)           |
| Net pension liability   | (40,234,891)          |
| <i>Net position - governmental activities</i>   | <u>\$ 191,273,667</u> |

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

**STATE OF NEW MEXICO**  
Eddy County  
Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2017

|  | <u>General</u>       | <u>FEMA<br/>Special Revenue Fund</u> |
|--|----------------------|--------------------------------------|
| <i>Revenues</i>  |                      |                                      |
| Taxes:   |                      |                                      |
| Property   | \$ 14,611,639        | \$ -                                 |
| Gross receipts   | 8,004,362            | -                                    |
| Gasoline and motor vehicle                               | -                    | -                                    |
| Oil and gas  | 15,048,692           | -                                    |
| Lodgers  | -                    | -                                    |
| Intergovernmental:                                       |                      |                                      |
| Federal operating grants                                 | 57,972               | -                                    |
| Federal capital grants                                   | -                    | 1,389,709                            |
| State operating grants                                   | -                    | -                                    |
| State capital grants                                     | -                    | -                                    |
| Local sources  | 22,786               | -                                    |
| Payment in lieu of taxes                                 | 3,509,582            | -                                    |
| Charges for services                                     | 1,394,941            | -                                    |
| Investment income  | 329,874              | -                                    |
| Miscellaneous  | 196,837              | -                                    |
| <i>Total revenues</i>                                    | <u>43,176,685</u>    | <u>1,389,709</u>                     |
| <i>Expenditures</i>                                      |                      |                                      |
| Current:   |                      |                                      |
| General government                                       | 13,768,114           | -                                    |
| Public safety  | 18,518,100           | -                                    |
| Culture and recreation                                   | -                    | -                                    |
| Health and welfare                                       | 120,742              | -                                    |
| Highways and roads                                       | -                    | -                                    |
| Capital outlay   | 215,065              | 31,862,288                           |
| Debt service:  |                      |                                      |
| Principal  | -                    | -                                    |
| Interest   | -                    | -                                    |
| <i>Total expenditures</i>                                | <u>32,622,021</u>    | <u>31,862,288</u>                    |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>10,554,664</u>    | <u>(30,472,579)</u>                  |
| <i>Other financing sources (uses)</i>                    |                      |                                      |
| Proceeds from sale of assets                             | 31,046               | -                                    |
| Transfers in   | 1,882,405            | 483,777                              |
| Transfers (out)  | (8,304,582)          | -                                    |
| <i>Total other financing sources (uses)</i>              | <u>(6,391,131)</u>   | <u>483,777</u>                       |
| <i>Net change in fund balances</i>                       | 4,163,533            | (29,988,802)                         |
| <i>Fund balances - beginning of year</i>                 | <u>19,239,160</u>    | <u>36,035,753</u>                    |
| <i>Fund balances - end of year</i>                       | <u>\$ 23,402,693</u> | <u>\$ 6,046,951</u>                  |

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



| <u>Road Construction<br/>Capital Projects Fund</u> | <u>Other Governmental<br/>Funds</u> | <u>Total Governmental<br/>Funds</u> |
|--|-------------------------------------|-------------------------------------|
| \$ -   | \$ 462,121                          | \$ 15,073,760                       |
| -  | 9,864,396                           | 17,868,758                          |
| -  | 1,452,318                           | 1,452,318                           |
| -  | -                                   | 15,048,692                          |
| -  | 78,265                              | 78,265                              |
| -  | 1,078,948                           | 1,136,920                           |
| -  | -                                   | 1,389,709                           |
| -  | 2,834,968                           | 2,834,968                           |
| -  | 35,000                              | 35,000                              |
| -  | 1,051,062                           | 1,073,848                           |
| -  | -                                   | 3,509,582                           |
| -  | 1,113,183                           | 2,508,124                           |
| -  | -                                   | 329,874                             |
| -  | 1,500,678                           | 1,697,515                           |
| -  | 19,470,939                          | 64,037,333                          |
| -  | 1,179,899                           | 14,948,013                          |
| -  | 3,684,600                           | 22,202,700                          |
| -  | 5,578                               | 5,578                               |
| -  | 8,030,995                           | 8,151,737                           |
| -  | 5,593,161                           | 5,593,161                           |
| 5,398  | 5,674,431                           | 37,757,182                          |
| -  | 547,066                             | 547,066                             |
| -  | 101,583                             | 101,583                             |
| 5,398  | 24,817,313                          | 89,307,020                          |
| (5,398)  | (5,346,374)                         | (25,269,687)                        |
| -  | 49,653                              | 80,699                              |
| -  | 8,352,239                           | 10,718,421                          |
| (483,777)  | (1,930,062)                         | (10,718,421)                        |
| (483,777)  | 6,471,830                           | 80,699                              |
| (489,175)  | 1,125,456                           | (25,188,988)                        |
| 14,081,470   | 38,406,258                          | 107,762,641                         |
| \$ 13,592,295                                      | \$ 39,531,714                       | \$ 82,573,653                       |

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

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STATE OF NEW MEXICO

Eddy County

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2017

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds \$ (25,188,988)

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                  | 37,757,182  |
| Depreciation expense                  | (9,121,914) |
| Book value of disposed/deleted assets | (992,923)   |

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

Change in unavailable revenue related to property taxes receivable (919,781)

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

|   |             |
|---|-------------|
| Employer contributions subsequent to the measurement date | 2,089,908   |
| Pension expense   | (6,843,919) |

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:

|  |          |
|--|----------|
| Increase in accrued compensated absences not due and payable | (15,017) |
| Principal payments on capital leases payable                 | 547,066  |

*Change in net position of governmental activities* \$ (2,688,386)

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

## STATE OF NEW MEXICO

Exhibit C-1

Eddy County  
General FundStatement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2017

|  | Budgeted Amounts   |                    | Actual               | Variances                                     |
|--|--------------------|--------------------|----------------------|---|
|  | Original           | Final              |                      | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues</i>  |                    |                    |                      |   |
| Taxes:   |                    |                    |                      |   |
| Property   | \$13,690,000       | \$14,632,137       | \$ 14,564,220        | \$ (67,917)                                   |
| Gross receipts   | 7,900,000          | 7,770,280          | 7,770,280            | -   |
| Oil and gas  | 15,700,000         | 14,569,624         | 14,569,624           | -   |
| Intergovernmental:   |                    |                    |                      |   |
| Federal operating grants   | 60,000             | 80,000             | 83,339               | 3,339   |
| State operating grants   | 560,000            | 634,323            | -                    | (634,323)                                     |
| Payment in lieu of taxes   | 3,200,000          | 3,509,582          | 3,509,582            | -   |
| Charges for services   | 1,044,850          | 1,041,575          | 1,339,211            | 297,636                                       |
| Investment income  | 250,000            | 330,134            | 330,134              | -   |
| Miscellaneous  | 130,990            | 190,013            | 248,659              | 58,646  |
| <i>Total revenues</i>  | <u>42,535,840</u>  | <u>42,757,668</u>  | <u>42,415,049</u>    | <u>(342,619)</u>                              |
| <i>Expenditures</i>  |                    |                    |                      |   |
| Current:   |                    |                    |                      |   |
| General government   | 14,365,626         | 14,653,781         | 13,972,509           | 681,272                                       |
| Public safety  | 21,727,968         | 21,848,133         | 18,671,652           | 3,176,481                                     |
| Culture and recreation   | -                  | -                  | -                    | -   |
| Health and welfare   | 180,878            | 180,878            | 120,797              | 60,081  |
| Public works   | -                  | -                  | -                    | -   |
| Capital outlay   | 50,000             | 215,958            | 267,169              | (51,211)                                      |
| Debt service:  |                    |                    |                      |   |
| Principal  | -                  | -                  | -                    | -   |
| Interest   | -                  | -                  | -                    | -   |
| <i>Total expenditures</i>  | <u>36,324,472</u>  | <u>36,898,750</u>  | <u>33,032,127</u>    | <u>3,866,623</u>                              |
| <i>Excess (deficiency) of revenues<br/>over expenditures</i>                         | <u>6,211,368</u>   | <u>5,858,918</u>   | <u>9,382,922</u>     | <u>3,524,004</u>                              |
| <i>Other financing sources (uses)</i>  |                    |                    |                      |   |
| Designated cash (budgeted increase in cash)  | (3)                | 563,259            | -                    | (563,259)                                     |
| Proceeds from sale of asset  | -                  | -                  | 36,126               | 36,126  |
| Transfers in   | 1,800,000          | 1,882,405          | 1,882,405            | -   |
| Transfers (out)  | (8,011,365)        | (8,304,582)        | (8,304,582)          | -   |
| <i>Total other financing sources (uses)</i>  | <u>(6,211,368)</u> | <u>(5,858,918)</u> | <u>(6,386,051)</u>   | <u>(527,133)</u>                              |
| <i>Net change in fund balances</i>   | -                  | -                  | 2,996,871            | 2,996,871                                     |
| <i>Fund balances - beginning of year</i>   | -                  | -                  | 17,012,542           | 17,012,542                                    |
| <i>Fund balances - end of year</i>   | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 20,009,413</u> | <u>\$ 20,009,413</u>                          |
| Net change in fund balances (non-GAAP budgetary basis)                               |                    |                    |                      | \$ 2,996,871                                  |
| Adjustments to revenues for property taxes, other taxes, grants, and other accruals  |                    |                    |                      | 761,636                                       |
| Adjustments to expenditures for general government, capital purchases, and transfers |                    |                    |                      | 405,026                                       |
| <i>Net change in fund balances (GAAP)</i>  |                    |                    |                      | <u>\$ 4,163,533</u>                           |

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

## STATE OF NEW MEXICO

Exhibit C-2

Eddy County

FEMA - 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, 2017

|  | Budgeted Amounts    |                     | Actual              | Variances                                     |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues</i>  |                     |                     |                     |   |
| Taxes:   |                     |                     |                     |   |
| Property   | \$ -                | \$ -                | \$ -                | \$ -  |
| Gross receipts   | -                   | -                   | -                   | -   |
| Other  | -                   | -                   | -                   | -   |
| Intergovernmental:   |                     |                     |                     |   |
| Federal operating grants   | -                   | 1,389,709           | 1,389,709           | -   |
| State operating grants   | -                   | -                   | -                   | -   |
| Charges for services   | -                   | -                   | -                   | -   |
| Investment income  | -                   | -                   | -                   | -   |
| Miscellaneous  | -                   | -                   | -                   | -   |
| <i>Total revenues</i>  | <u>-</u>            | <u>1,389,709</u>    | <u>1,389,709</u>    | <u>-</u>                                      |
| <i>Expenditures</i>  |                     |                     |                     |   |
| Current:   |                     |                     |                     |   |
| General government   | -                   | -                   | -                   | -   |
| Public safety  | -                   | -                   | -                   | -   |
| Culture and recreation   | -                   | -                   | -                   | -   |
| Public works   | -                   | -                   | -                   | -   |
| Capital outlay   | 33,839,424          | 35,229,133          | 29,966,688          | 5,262,445                                     |
| Debt service:  |                     |                     |                     |   |
| Principal  | -                   | -                   | -                   | -   |
| Interest   | -                   | -                   | -                   | -   |
| <i>Total expenditures</i>  | <u>33,839,424</u>   | <u>35,229,133</u>   | <u>29,966,688</u>   | <u>5,262,445</u>                              |
| <i>Excess (deficiency) of revenues<br/>over expenditures</i>       | <u>(33,839,424)</u> | <u>(33,839,424)</u> | <u>(28,576,979)</u> | <u>5,262,445</u>                              |
| <i>Other financing sources (uses)</i>                              |                     |                     |                     |   |
| Designated cash (budgeted increase in cash)                        | 33,839,424          | 33,355,647          | -                   | (33,355,647)                                  |
| Transfers in   | -                   | 483,777             | 483,777             | -   |
| Transfers (out)  | -                   | -                   | -                   | -   |
| <i>Total other financing sources (uses)</i>                        | <u>33,839,424</u>   | <u>33,839,424</u>   | <u>483,777</u>      | <u>(33,355,647)</u>                           |
| <i>Net change in fund balances</i>                                 | -                   | -                   | (28,093,202)        | (28,093,202)                                  |
| <i>Fund balances - beginning of year</i>                           | -                   | -                   | 37,239,716          | 37,239,716                                    |
| <i>Fund balances - end of year</i>                                 | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 9,146,514</u> | <u>\$ 9,146,514</u>                           |
| Net change in fund balances (non-GAAP budgetary basis)             |                     |                     |                     | \$ (28,093,202)                               |
| Adjustments to expenditures for public works and capital purchases |                     |                     |                     | (1,895,600)                                   |
| <i>Net change in fund balances (GAAP)</i>                          |                     |                     |                     | <u>\$ (29,988,802)</u>                        |

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

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**STATE OF NEW MEXICO**  
Eddy County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2017

Exhibit D-1

**Assets**

|                           |                            |
|---------------------------|----------------------------|
| Cash and cash equivalents | \$ 3,418,432               |
| Receivables:              |                            |
| Property taxes receivable | <u>1,653,378</u>           |
| <i>Total assets</i>       | <u><u>\$ 5,071,810</u></u> |

**Liabilities**

|                              |                            |
|------------------------------|----------------------------|
| Deposits held in trust       | \$ 3,418,432               |
| Due to other taxing entities | <u>1,653,378</u>           |
| <i>Total liabilities</i>     | <u><u>\$ 5,071,810</u></u> |

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

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**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

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

Eddy County (the "County") is a political subdivision of the State of New Mexico established under the provision of Section 14-14-1 of NMSA, 1978 Compilation and regulated by the Constitution of the State of New Mexico. The County operates under a Board of County Commissioners-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, sanitation, planning and zoning, property assessment, tax collection and general administrative services.

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

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

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

During the year ended June 30, 2017, the County adopted GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (partial), No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, No. 77, *Tax Abatement Disclosures*, No. 78 *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, and No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, and No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*.. These six Statements are required to be implemented as of June 30, 2017, if applicable.

GASB Statement No. 73 establishes accounting and financial reporting standards for defined benefit pensions and defined contribution pensions that are not provided to employees of state and local government employers and are not within the scope of Statement 68. A portion of this pronouncement was effective and was implemented for the June 30, 2016 year end, and a portion is effective for June 30, 2017 year end. Effective for June 30, 2017 are the provisions of the statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68. This does not have a material effect on the financial statements of the County, as its pension plan is within the scope of Statement 68.

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

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

The objective of GASB Statement No. 74 is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement does not affect the County's financial statements directly; however, the effects on the County's OPEB plan, administered through the New Mexico Retiree Health Care Authority, will be seen in future periods.

GASB Statement No. 77 is intended to improve the usefulness of financial statements prepared by state and local governments – which are intended, among other things, to assist users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources came from and how it uses them, and (4) a government's financial position and economic condition and how they have changed after time – by including information about certain limitations on a government's ability to raise resources.

This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens – such as the encouragement of economic development.

For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

These tax abatements may affect the financial position of the government and its results of operations, including its ability to raise resources in the future. Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government's tax revenues.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients;
- The gross dollar amount of taxes abated during the period;
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

For tax abatement agreements entered into by other governments, the following should be disclosed:

- The names of the governments that entered into the agreements;
- The specific taxes being abated; and
- The gross dollar amount of taxes abated during the period.

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

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

The objective of GASB Statement No. 78 is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement amends the scope and applicability of Statement 68 to exclude certain pensions provided to employees of state or local governmental employers. The County's pension plan does not meet the criteria for exclusion.

The objective of GASB Statement No. 80 is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

GASB Statement No. 82 clarified and adjusted several items from GASB 67 and 68, including the definition of covered payroll, the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements.

*A. Financial Reporting Entity*

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, and GASB Statement No. 80. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

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

*A. Financial Reporting Entity (continued)*

**Discretely Presented Component Unit**

Regional Emergency Dispatch Authority (the "Authority") has been determined to be a component unit of the County that should be discretely presented in the County's financial statements pursuant to the criteria described above. The Authority has a separately issued financial statement and all exhibits, schedules, and footnotes are included in their financial statements. The component unit's activities are detailed on Exhibit A-1 and A-2 in the County's financial report. Additional information regarding the Regional Emergency Dispatch Authority's separate audit report for the period ending June 30, 2017 may be obtained from their administrative office as follows: Regional Emergency Dispatch Authority, P.O. Box 450, Artesia, NM 88210.

Eddy County entered into a partnership with the Eddy-Lea Energy Alliance which combines Eddy County, Lea County, City of Hobbs, and City of Carlsbad to jointly develop a proposal for a technology-demonstration program to be undertaken by the United States Department of Energy in support of the Global Nuclear Energy Partnership. The financial responsibility is split equally between the four entities involved. While Eddy County has a presence on the ELEA board, they do not have a majority vote and do not have the ability to exercise oversight responsibility. Therefore, this entity does not meet the requirements to be presented as a component unit of the County.

*B. Government-wide and fund financial statements*

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County does not have any *business-type activities*.

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

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

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

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

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

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

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

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

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

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

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

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

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

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

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

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other grant requirements have been met and the availability criterion have been met.

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

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

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *FEMA Special Revenue Fund* is used to account for funds restricted to use in Federal Emergency Management Agency (FEMA) related projects. The authority to create this fund was given by County Resolutions R-15-31, R-15-48, R-15-69.

The *Road Construction Capital Projects Fund* is used to account for monies set aside for the future construction of roads. The authority to create this fund was given by County Resolutions R-15-31, R-15-48, R-15-69.

Additionally, the government reports the following agency fund:

*Fiduciary funds* are used to report assets held in a trustee or agency capacity for others that cannot be used to support the government's own programs. *Agency funds* are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary fund is used to account for the collection and payment of property taxes and special fees to other governmental agencies and for the temporary custodianship of funds used in certain law enforcement grant projects.

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

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

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

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

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

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

State statutes authorize the County to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Local Government Investment Pool (LGIP).

Investments for the County are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, property taxes are recorded as revenue when levied net of estimated refunds and uncollectable amounts.

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

**Prepaid Expenses:** Prepaid expenses include insurance and contract payments to vendors and reflect costs applicable to future accounting periods that are recorded as prepaid items in both the government-wide financial statements and fund financial statements.

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

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

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

**Capital Assets:** Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the County 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. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation. There were no donated assets during the year ended June 30, 2017.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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

| <u>Assets</u>              | <u>Years</u> |
|----------------------------|--------------|
| Buildings and improvements | 25-40        |
| Other improvements         | 40           |
| Infrastructure             | 25           |
| Equipment and furnishings  | 5-15         |
| Equipment – capital leases | 10           |

**Accrued Expenses:** Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2017, along with applicable PERA, Retiree Health Care, Social Security Taxes, and Medicare payable.

**Deferred Outflows of Resources:** In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until that time. The County has five types of items that qualify for reporting in this category: changes of assumptions of \$2,449,335; changes in proportion of \$2,557,155; differences between expected and actual experience of \$2,303,083; the net difference between projected and actual investment earnings of \$6,960,093, and employer contributions subsequent to the measurement date in the amount of \$2,089,908. These amounts are reported in the Statement of Net Position. These amounts are deferred and recognized as outflows of resources in future periods and will reduce the net pension liability in future periods.



**STATE OF NEW MEXICO**  
Eddy County  
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June 30, 2017

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

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

**Deferred Inflows of Resources:** In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as inflows of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The County has one item which arises under the modified accrual basis of accounting and qualifies for reporting in this category. Accordingly, the item, unavailable revenue - property taxes, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The County has recorded \$347,801 as a deferred inflow related to property taxes considered "unavailable". In addition, the County has two types of items present on the Statement of Net Position that qualify for reporting in this category: changes of assumption of \$233,647 and differences between expected and actual experience of \$257,506. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

**Compensated Absences:** Qualified employees are entitled to accumulate annual leave up to twenty-five days per year according to a graduated leave schedule. The number of days accumulated depends on length of service. Employees may accumulate up to two hundred forty hours (thirty days) of annual leave and carry that leave forward from calendar year to calendar year. Upon termination, employees will be paid for up to two hundred forty hours of accrued annual leave.

Qualified employees are entitled to accumulate sick leave at a rate of twelve days per year. Sick leave can be carried over from year to year at no limitation. Upon termination, employees receive no pay for sick time accumulated. Employees retiring under the County's Retirement Plan are entitled to be paid for the balance of sick leave they have accrued at the time of retirement at a rate equal to 50% of their hourly rate of pay, not to exceed \$10,000.

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

**Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or straight-line if the difference from the effective interest method is minimal. Bond issuance costs are expensed as incurred.

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

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

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

**Fund Balance Classification Policies and Procedures:** The County has implemented GASB No. 54 and has defined the various categories reported in fund balance. For committed fund balance, the County's highest level of decision-making authority is the County Commission. The formal action that is required to be taken to establish a fund balance commitment is the County Commission.

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

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

**Nonspendable Fund Balance:** At June 30, 2017, the County had nonspendable fund balance categorized in the governmental funds balance sheet in the amount of \$473,388 as detailed on pages 28-29.

**Restricted and Committed Fund Balance:** At June 30, 2017, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$53,734,170 for various County operations as restricted by enabling legislation. The County has also presented committed fund balance on the governmental funds balance sheet in the amount of \$13,592,295. The details of these fund balance items are located on the governmental funds balance sheet as detailed on pages 28-29.

**Minimum Fund Balance Policy:** The County's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the County holds cash reserves of 3/12th the General Fund expenditures and cash reserves of 1/12th the Road Special Revenue Fund.

**STATE OF NEW MEXICO**  
Eddy County  
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June 30, 2017

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

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

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

- a. **Net investment in capital assets:** Net position invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net position:** Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, debt service, and capital projects” are described on pages 46 and 89-93.
- c. **Unrestricted net position:** All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

**Interfund Transactions:** Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for 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 (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the County are management’s estimate of depreciation on assets over their estimated useful lives, net pension liability and related deferred inflows and outflows of resources and the current portion of accrued compensated absences.

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

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

**NOTE 2. Stewardship, Compliance and Accountability**

*Budgetary Information*

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

These budgets are prepared on the Non-GAAP budgetary basis. Budgetary basis expenditures exclude encumbrances. The budget secures appropriations of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

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

|   | <b>Excess (deficiency) of<br/>revenues over expenditures</b> |                         |
|---|--|-------------------------|
|   | <b>Original<br/>Budget</b>                                   | <b>Final<br/>Budget</b> |
| Budgeted Funds:                         |  |                         |
| General Fund                            | \$ 6,211,368   | \$ 5,858,918            |
| FEMA Special Revenue Fund               | \$ (33,839,424)  | \$ (33,839,424)         |
| Road Construction Capital Projects Fund | \$ -   | \$ (8,600)              |
| Other Governmental Funds                | \$ (14,467,547)  | \$ (18,889,355)         |

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2017 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

**NOTE 3. Deposits and Investments**

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2017.

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

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

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

The County's accounts are located at an insured depository institution. All noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for all deposit accounts out of state and up to \$250,000 for all time and saving accounts plus up to \$250,000 for all demand deposit accounts held at a single institution in state.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). As of June 30, 2017, \$68,724,313 of the County's bank balance of \$87,891,897 was exposed to custodial credit risk; \$54,193,785 was uninsured but collateralized by collateral held by the pledging bank's trust department, but not in the County's name. \$14,530,528 of the County's deposits were uninsured and uncollateralized at June 30, 2017.

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

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

|   | <b>Artesia<br/>National Bank</b> | <b>Carlsbad<br/>National Bank</b> | <b>Financial<br/>Security Credit<br/>Union</b> | <b>Moreton<br/>Capital Markets</b> | <b>Pioneer Bank</b> |
|---|----------------------------------|-----------------------------------|--|------------------------------------|---------------------|
| Amount of deposits  | \$ 6,550,009                     | \$ 20,838,346                     | \$ 250,000                                     | \$ 16,667,584                      | \$ 9,353,958        |
| FDIC Coverage   | (250,000)                        | (500,000)                         | (250,000)                                      | (16,667,584)                       | (250,000)           |
| Total uninsured public funds  | <u>6,300,009</u>                 | <u>20,338,346</u>                 | <u>-</u>                                       | <u>-</u>                           | <u>9,103,958</u>    |
| Collateralized by securities held<br>by pledging institutions or by<br>its trust department or agent in<br>other than the County's name | 3,742,110                        | 14,477,578                        | -  | -                                  | 9,103,958           |
| Uninsured and uncollateralized  | <u>\$ 2,557,899</u>              | <u>\$ 5,860,768</u>               | <u>\$ -</u>                                    | <u>\$ -</u>                        | <u>\$ -</u>         |
| Collateral requirement<br>(50% of uninsured funds)  | \$ 3,150,005                     | \$ 10,169,173                     | \$ -   | \$ -                               | \$ 4,551,979        |
| Pledged Collateral  | <u>3,742,110</u>                 | <u>14,477,578</u>                 | <u>-</u>                                       | <u>-</u>                           | <u>9,405,915</u>    |
| Over (Under) collateralized   | <u>\$ 592,105</u>                | <u>\$ 4,308,405</u>               | <u>\$ -</u>                                    | <u>\$ -</u>                        | <u>\$ 4,853,936</u> |
|   | <b>Wells Fargo<br/>Bank</b>      | <b>Western Bank<br/>Artesia</b>   | <b>Western<br/>Commerce<br/>Bank</b>           | <b>Total</b>                       |                     |
| Amount of deposits  | \$ 17,232,000                    | \$ 3,000,000                      | \$ 14,000,000                                  | \$ 87,891,897                      |                     |
| FDIC Coverage   | (500,000)                        | (250,000)                         | (500,000)                                      | (19,167,584)                       |                     |
| Total uninsured public funds  | <u>16,732,000</u>                | <u>2,750,000</u>                  | <u>13,500,000</u>                              | <u>68,724,313</u>                  |                     |
| Collateralized by securities held<br>by pledging institutions or by<br>its trust department or agent in<br>other than the County's name | 16,732,000                       | 2,547,223                         | 7,590,916                                      | 54,193,785                         |                     |
| Uninsured and uncollateralized  | <u>\$ -</u>                      | <u>\$ 202,777</u>                 | <u>\$ 5,909,084</u>                            | <u>\$ 14,530,528</u>               |                     |
| Collateral requirement<br>(50% of uninsured funds)  | \$ 8,366,000                     | \$ 1,375,000                      | \$ 6,750,000                                   | \$ 34,362,157                      |                     |
| Pledged Collateral  | <u>17,579,384</u>                | <u>2,547,223</u>                  | <u>7,590,916</u>                               | <u>55,343,126</u>                  |                     |
| Over (Under) collateralized   | <u>\$ 9,213,384</u>              | <u>\$ 1,172,223</u>               | <u>\$ 840,916</u>                              | <u>\$ 20,980,969</u>               |                     |

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

In addition to the regular FDIC coverage of \$250,000 per bank, the deposits at Moreton Capital Markets also include CDs (and related FDIC insurance) of \$250,000 spread across forty-four separate financial institutions, all invested as part of the Moreton Capital Markets account, in order to not exceed FDIC insurance coverage per institution.

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

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

**Investments**

Credit Risk

The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(P) and Sections 6-10-10.1(A) and (E), NMSA 1978. Per Section 6-10-10.1(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested.

The investments are listed on Schedule IV of this report.

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

The County has presented certificates of deposits of \$16,667,584 as investments in the Statement of Net Position; however, these are classified as deposits for disclosure purposes.

The County utilized pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Agency Funds are all in multiple accounts.

**Reconciliation of Cash, Cash Equivalents, and Investments**

|   |                             |
|---|-----------------------------|
| Cash and cash equivalents per Exhibit A-1 | \$ 63,602,916               |
| Investments per Exhibit A-1               | 16,667,584                  |
| Agency funds cash per Exhibit E-1         | <u>3,418,432</u>            |
| Total cash and cash equivalents           | <u>83,688,932</u>           |
| Add: outstanding checks                   | 4,300,983                   |
| Less: Petty Cash                          | (1,648)                     |
| Less: deposits in transit                 | <u>(96,370)</u>             |
| Bank balance of deposits                  | <u><u>\$ 87,891,897</u></u> |

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

**NOTE 4. Receivables**

Receivables as of June 30, 2017, are as follows:

|                           | <u>General<br/>1000</u> | <u>Total<br/>Nonmajor<br/>Funds</u> | <u>Total</u>        |
|---------------------------|-------------------------|-------------------------------------|---------------------|
| Property taxes            | \$ 613,504              | \$ -                                | \$ 613,504          |
| Other taxes:              |                         |                                     |                     |
| Gross receipts taxes      | 1,453,540               | 1,049,553                           | 2,503,093           |
| Gasoline and oil taxes    | 2,203,215               | 68,981                              | 2,272,196           |
| Motor vehicle taxes       | -                       | 186,855                             | 186,855             |
| Fire Excise Tax           | -                       | 701,800                             | 701,800             |
| Lodgers Tax               | -                       | 10,704                              | 10,704              |
| Other receivables:        |                         |                                     |                     |
| Intergovernmental-grants: |                         |                                     |                     |
| State                     | 12,035                  | 14,894                              | 26,929              |
| Federal                   | 20,266                  | 216,291                             | 236,557             |
| Other                     | 49,339                  | 399,008                             | 448,347             |
| Totals by category        | <u>\$ 4,351,899</u>     | <u>\$ 2,648,086</u>                 | <u>\$ 6,999,985</u> |

The County considers all receivables to be 100% collectible.

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$347,801 that was not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements.



**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

**NOTE 5. Interfund Transfers**

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

| <u>Transfers In</u>                                   | <u>Transfers Out</u>                         | <u>Amount</u>        |
|---|--|----------------------|
| Road Special Revenue Fund                             | General Fund                                 | \$ 4,789,665         |
| Farm & Range Special Revenue Fund                     | General Fund                                 | 29,000               |
| Correction Fees Special Revenue Fund                  | General Fund                                 | 450,000              |
| Indigent Special Revenue Fund                         | General Fund                                 | 2,500,000            |
| Motor Vehicle Special Revenue Fund                    | General Fund                                 | 150,000              |
| HIDTA Special Revenue Fund                            | General Fund                                 | 111,694              |
| Emergency Services Hazmat Special Revenue Fund        | General Fund                                 | 76,399               |
| Eddy County DWI Special Revenue Fund                  | General Fund                                 | 170,603              |
| Legislative Projects Fund                             | General Fund                                 | 2,000                |
| Region VI Administration Agency Fund                  | General Fund                                 | 25,221               |
| EMSER Homeland Security Special Revenue Fund          | Emergency Services Special Revenue Fund      | 30,150               |
| General Fund  | EMSER Homeland Security Special Revenue Fund | 30,150               |
| Volunteer Fire Department - Joel Special Revenue Fund | Fire Excise Fund - Joel Special Revenue Fund | 946                  |
| Volunteer Fire Department - Otis Special Revenue Fund | Fire Excise Fund - Otis Special Revenue Fund | 311                  |
| General Fund  | Building Construction Capital Projects Fund  | 15,973               |
| General Fund  | Legislative Projects Fund                    | 25,270               |
| General Fund  | Capital Improvements Capital Projects Fund   | 1,800,000            |
| FEMA Special Revenue Fund                             | Road Construction Special Revenue Fund       | 483,777              |
| General Fund  | Region VI Administration Agency Fund         | 11,012               |
| Emergency Services Special Revenue Fund               | Region VI Administration Agency Fund         | 16,250               |
|   | Total  | <u>\$ 10,718,421</u> |

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

**NOTE 6. Capital Assets**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2017. Land and construction in progress are not subject to depreciation.

|  | <u>Balance<br/>June 30, 2016</u> | <u>Transfers</u> | <u>Additions</u>     | <u>Deletions</u>     | <u>Balance<br/>June 30, 2017</u> |
|--|----------------------------------|------------------|----------------------|----------------------|----------------------------------|
| Capital assets not being depreciated:      |                                  |                  |                      |                      |                                  |
| Land                                       | \$ 2,662,978                     | \$ -             | \$ -                 | \$ -                 | \$ 2,662,978                     |
| Construction in progress                   | <u>19,951,552</u>                | <u>-</u>         | <u>34,389,677</u>    | <u>11,968,359</u>    | <u>42,372,870</u>                |
| Total capital assets not being depreciated | <u>22,614,530</u>                | <u>-</u>         | <u>34,389,677</u>    | <u>11,968,359</u>    | <u>45,035,848</u>                |
| Capital assets being depreciated:          |                                  |                  |                      |                      |                                  |
| Landfill                                   | 686,696                          | -                | -                    | 686,696              | -                                |
| Buildings and improvements                 | 70,152,515                       | -                | 179,483              | 193,402              | 70,138,596                       |
| Other improvements                         | 5,495,531                        | -                | 730,211              | -                    | 6,225,742                        |
| Infrastructure                             | 145,662,638                      | -                | 11,514,132           | 564,338              | 156,612,432                      |
| Equipment and furnishings                  | 34,522,647                       | -                | 2,912,038            | 1,003,690            | 36,430,995                       |
| Equipment - capital leases                 | <u>3,241,873</u>                 | <u>-</u>         | <u>-</u>             | <u>-</u>             | <u>3,241,873</u>                 |
| Total capital assets being depreciated     | <u>259,761,900</u>               | <u>-</u>         | <u>15,335,864</u>    | <u>2,448,126</u>     | <u>272,649,638</u>               |
| Less accumulated depreciation:             |                                  |                  |                      |                      |                                  |
| Buildings and improvements                 | 22,143,464                       | -                | 1,879,228            | 83,135               | 23,939,557                       |
| Other improvements                         | 2,237,152                        | -                | 137,558              | -                    | 2,374,710                        |
| Infrastructure                             | 128,534,114                      | -                | 3,855,793            | 524,849              | 131,865,058                      |
| Equipment and furnishings                  | 21,216,131                       | (654,579)        | 2,538,253            | 847,219              | 22,252,586                       |
| Equipment - capital leases                 | <u>-</u>                         | <u>654,579</u>   | <u>711,082</u>       | <u>-</u>             | <u>1,365,661</u>                 |
| Total accumulated depreciation             | <u>174,130,861</u>               | <u>-</u>         | <u>9,121,914</u>     | <u>1,455,203</u>     | <u>181,797,572</u>               |
| Total capital assets, net of depreciation  | <u>\$ 108,245,569</u>            | <u>\$ -</u>      | <u>\$ 40,603,627</u> | <u>\$ 12,961,282</u> | <u>\$ 135,887,914</u>            |

Depreciation expense for the year ended June 30, 2017 was charged to the functions of the governmental activities as follows:

|                        |                     |
|------------------------|---------------------|
| General Government     | \$ 2,116,561        |
| Public Safety          | 2,821,994           |
| Culture and Recreation | 114,300             |
| Health and Welfare     | 45,778              |
| Highways and Roads     | <u>4,023,281</u>    |
| Total                  | <u>\$ 9,121,914</u> |

In the current year the County removed landfill from their capital asset listing as it was determined not to be a capital asset per GAAP. This landfill is related to the Sandpoint Landfill joint power agreement with the City of Carlsbad. Historically, the County has not recorded any assets or liabilities in relation to the landfill.

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Eddy County  
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**NOTE 7. Long-term Debt**

During the year ended June 30, 2017, the following changes occurred in the liabilities reported in the government-wide statement of net position:

|                      | <u>Balance<br/>June 30, 2016</u> | <u>Additions</u>  | <u>Retirements</u>  | <u>Balance<br/>June 30, 2017</u> | <u>Due Within<br/>One Year</u> |
|----------------------|----------------------------------|-------------------|---------------------|----------------------------------|--------------------------------|
| Capital Leases       | \$ 2,748,854                     | \$ -              | \$ 547,066          | \$ 2,201,782                     | \$ 746,537                     |
| Compensated Absences | 952,432                          | 888,184           | 873,167             | 967,449                          | 357,956                        |
| Total long-term debt | <u>\$ 3,701,286</u>              | <u>\$ 888,184</u> | <u>\$ 1,420,233</u> | <u>\$ 3,169,231</u>              | <u>\$ 1,104,493</u>            |

The County has entered into agreements to lease various pieces of equipment. The leases bear interest between 2.90% and 4.67%. The payments are due monthly from the Environmental Gross Receipts Tax Fund. The County is not aware of any instances of non-compliance with the significant requirements of the capital lease agreements.

Capital lease debt service requirements to maturity are as follows:

| <u>Fiscal Year<br/>Ending June 30, 2017</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total Debt<br/>Service</u> |
|---|---------------------|-------------------|-------------------------------|
| 2018  | \$ 746,537          | \$ 70,316         | \$ 816,854                    |
| 2019  | 728,092             | 39,329            | 767,422                       |
| 2020  | 244,297             | 23,662            | 267,959                       |
| 2021  | 482,855             | 10,660            | 493,516                       |
|   | <u>\$ 2,201,782</u> | <u>\$ 143,968</u> | <u>\$ 2,345,750</u>           |

Amortization of leased equipment under capital assets is included with depreciation expense.

Liabilities for compensated absences are generally liquidated by the fund from which the employee's salaries are paid; the majority of the County's liability has been satisfied by payments from the General fund.

On May 26, 2015, Ordinance No. O-15-81 was passed, authorizing the issuance and sale of Industrial Revenue Bond Series 2015 in the maximum principal amount of \$600,000,000 to finance the acquisition, construction and equipping of a natural gas processing facility to be used by Enterprise Field Services, LLC. The bond is a conduit debt liability on the part of the County; no liability has been recorded as no cash payments are required. There was no amount of the conduit debt obligations outstanding as of June 30, 2017.

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**NOTE 8. Risk Management**

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

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

At June 30, 2017, 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. The County is not aware of any major lawsuits that have been filed.

**NOTE 9. Other Required Individual Fund Disclosures**

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

- A. Deficit fund balance of individual funds. There were no funds with deficit fund balances as of June 30, 2017.
- B. Excess of expenditures over budget authority. There were no funds with expenditures in excess of budget authority for the year ended June 30, 2017.
- C. Designated cash appropriations in excess of available balances. There were no funds in which cash appropriations exceeded approved budgetary authority for the year ended June 30, 2017.

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**NOTE 10. Pension Plan - Public Employees Retirement Association**

**General Information about the Pension Plan**

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

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

**Benefits provided.** For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2016 available at [http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR\\_12.22.2016\\_FINAL-with-corrections.pdf](http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf).

Contributions. The contribution requirements of defined benefit plan members and Eddy County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY16 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on page 43 of the PERA FY16 annual audit report at [http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR\\_12.22.2016\\_FINAL-with-corrections.pdf](http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf). The PERA coverage options that apply to the County are: Municipal General Division, Municipal Police Division, and Municipal Fire Division. Statutorily required contributions to the pension plan from the County were \$2,089,908 and \$1,534,108 in employer paid member benefits were “picked up” by the employer for the year ended June 30, 2017.

**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, 2015. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2016.

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**NOTE 10. Pension Plan - Public Employees Retirement Association (continued)**

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. Eddy County's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2016. Only employer contributions for the pay period end dates that fell within the period of July 1, 2015 to June 30, 2016 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2016 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

**For PERA Fund Municipal General Division**, at June 30, 2017, Eddy County reported a liability of \$26,385,413 for its proportionate share of the net pension liability. At June 30, 2017, Eddy County's proportion was 1.6515 percent, which was an increase of 0.2023 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, Eddy County recognized PERA Fund Municipal General Division pension expense of \$4,111,225. At June 30, 2017, Eddy County reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

|   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---|---|--|
| Changes of assumptions  | \$ 1,547,195                                  | \$ 4,388                                     |
| Change in proportion  | 1,317,151                                     | -  |
| Differences between expected and actual<br>experience                               | 1,318,324                                     | 257,506                                      |
| Net difference between projected and actual<br>earnings on pension plan investments | 4,854,866                                     | -  |
| County's contributions subsequent to the<br>measurement date                        | 881,534                                       | -  |
| Total   | <u>\$ 9,919,070</u>                           | <u>\$ 261,894</u>                            |

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**NOTE 10. Pension Plan - Public Employees Retirement Association (continued)**

\$881,534 reported as deferred outflows of resources related to pensions resulting from Eddy County's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year Ended June 30:</b> |                |
|----------------------------|----------------|
| 2018                       | \$ (2,144,884) |
| 2019                       | (2,144,884)    |
| 2020                       | (3,240,640)    |
| 2021                       | (1,245,234)    |
| Thereafter                 | -              |

**For PERA Fund Municipal Police Division**, at June 30, 2017, Eddy County reported a liability of \$12,712,069 for its proportionate share of the net pension liability. At June 30, 2017, Eddy County's proportion was 1.7229 percent, which was an increase of 0.2410 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, Eddy County recognized PERA Fund Municipal Police Division pension expense of \$2,317,204. At June 30, 2017, Eddy County reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

|   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---|---|--|
| Changes of assumptions  | \$ 841,976                                    | \$ 229,259                                   |
| Change in proportion  | 677,910                                       | -  |
| Differences between expected and actual<br>experience                               | 933,251                                       | -  |
| Net difference between projected and actual<br>earnings on pension plan investments | 2,010,487                                     | -  |
| County's contributions subsequent to the<br>measurement date                        | 1,146,591                                     | -  |
| Total   | \$ 5,610,215                                  | \$ 229,259                                   |

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**NOTE 10. Pension Plan - Public Employees Retirement Association (continued)**

\$1,146,591 reported as deferred outflows of resources related to pensions resulting from Eddy County's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year Ended June 30:</b> |                |
|----------------------------|----------------|
| 2018                       | \$ (1,120,667) |
| 2019                       | (1,120,667)    |
| 2020                       | (1,471,142)    |
| 2021                       | (521,889)      |
| Thereafter                 | -              |

**For PERA Fund Municipal Fire Division**, at June 30, 2017, Eddy County reported a liability of \$1,137,409 for its proportionate share of the net pension liability. At June 30, 2017, Eddy County's proportion was 0.1705 percent, which was an increase of 0.1194 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, Eddy County recognized PERA Fund Municipal Fire Division pension expense of \$415,490. At June 30, 2017, Eddy County reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Changes of assumptions   | \$ 60,164                                     | \$ -   |
| Change in proportion   | 562,094                                       | -  |
| Differences between expected and actual experience                               | 51,508  | -  |
| Net difference between projected and actual earnings on pension plan investments | 94,740  | -  |
| County's contributions subsequent to the measurement date                        | 61,783  | -  |
| Total  | \$ 830,289                                    | \$ -   |

\$61,783 reported as deferred outflows of resources related to pensions resulting from Eddy County's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year Ended June 30:</b> |              |
|----------------------------|--------------|
| 2018                       | \$ (254,570) |
| 2019                       | (254,570)    |
| 2020                       | (222,072)    |
| 2021                       | (37,294)     |
| Thereafter                 | -            |



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**NOTE 10. Pension Plan - Public Employees Retirement Association (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, 2015 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, 2016 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the PERA's Board of Trustees for use in the June 30, 2015 actuarial valuation.

|                            |  |
|----------------------------|--|
| Actuarial valuation date   | June 30, 2015  |
| Actuarial cost method      | Entry age normal   |
| Amortization method        | Level percentage of pay, open  |
| Amortization period        | Solved for based on statutory rates  |
| Asset valuation method     | Fair value   |
| Actuarial assumptions:     |  |
| Investment rate of return  | 7.48% annual rate, net of investment experience  |
| Projected benefit payment  | 100 years  |
| Payroll growth             | 2.75% for the first 10 years, then 3.25% all other years   |
| Projected salary increases | 2.75% to 14.25% annual rate  |
| Includes inflation at      | 2.25% annual rate first 10 years, 2.75% all other years  |
| Mortality assumption       | RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA. |
| Experience study dates     | July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 20, 2015 (economic)  |

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.

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**NOTE 10. Pension Plan - Public Employees Retirement Association (continued)**

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<br>Expected Real<br>Rate of Return |
|------------------------------|-------------------|--|
| Global Equity                | 43.50%            | 7.39%  |
| Risk Reduction & Mitigation  | 21.50             | 1.79   |
| Credit Oriented Fixed Income | 15.00             | 5.77   |
| Real Assets                  | 20.00             | 7.35   |
| Total                        | <u>100.00%</u>    |  |

**Discount rate:** The discount rate used to measure the total pension liability was 7.48 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 7.48% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.** The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present Eddy County's net pension liability in each PERA Fund Division that Eddy County participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.48%) or one percentage point higher (8.48%) than the single discount rate.

|   | <u>1% Decrease<br/>(6.38%)</u> | <u>Current<br/>Discount Rate<br/>(7.48%)</u> | <u>1% Increase<br/>(8.48%)</u> |
|---|--------------------------------|--|--------------------------------|
| <b>PERA Fund Municipal General Division</b>               |                                |  |                                |
| County's proportionate share of the net pension liability | \$ 39,338,304                  | \$ 26,385,413                                | \$ 15,641,634                  |
| <b>PERA Fund Municipal Police Division</b>                |                                |  |                                |
| County's proportionate share of the net pension liability | \$ 18,702,609                  | \$ 12,712,069                                | \$ 7,812,508                   |
| <b>PERA Fund Municipal Fire Division</b>                  |                                |  |                                |
| County's proportionate share of the net pension liability | \$ 1,487,725                   | \$ 1,137,409                                 | \$ 849,661                     |

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**NOTE 10. Pension Plan - Public Employees Retirement Association (continued)**

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

**Payables to the pension plan.** At June 30, 2017 there were no contributions due and payable to PERA for the Authority. Contractually required contributions are remitted to PERA monthly.

**NOTE 11. Post-Employment Benefit - State Retiree Health Care Plan**

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

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

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

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

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

**STATE OF NEW MEXICO**  
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**NOTE 11. Post-Employment Benefit - State Retiree Health Care Plan (continued)**

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2016, the statute required each participating employer to contribution 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary.

In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The County's contribution to the RHCA for the years ended June 30, 2017, 2016, and 2015 were \$349,550, \$338,458, and \$310,958, respectively, which equal the required contributions for each year, including an enhanced RHCA contribution of 2.5%.

**NOTE 12. Landfill Closure and Post-Closure Care Costs**

State and federal laws and regulations require that Eddy County and the City of Carlsbad place a final cover on their landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after the closure of the landfill. Based on a joint powers agreement between the County and the City of Carlsbad, the closure and post-closure care costs will be shared at 50% for each governmental agency. The landfill closure and post-closure care costs are based on the amount of the landfill used during each year. The total estimated liability for landfill closure costs is \$1,532,633 as of June 30, 2017, which is based on the cumulative capacity of 13,943,056 cubic gate yards of air space to be used over its estimated life of 49.3 years. It is estimated that an additional \$1,646,408 of post-closure care costs will be recognized over 30 years after the landfill site is closed. The estimated total current cost of the landfill closure and post-closure care of \$3,179,041 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2017. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in state and federal landfill laws and regulations. For the fiscal year ended June 30, 2017 the County remitted payment to the City of Carlsbad in the amount of \$222,000.

The County remits a cash payment to the City of Carlsbad each year to cover its portion of the estimated landfill closure and post-closure care costs and, therefore, no liability is recorded on the County's books for its share of the estimated landfill closure and post-closure care costs.

**STATE OF NEW MEXICO**  
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**NOTE 13. Contingent Liabilities**

The County is party to various claims and lawsuits arising in the normal course of business. The County is insured through the New Mexico County Insurance Authority. In the opinion of management, the outcome of these matters will not have a material effect on the financial position of the County. In addition to these various claims and lawsuits that arise in the normal course of business, the County is undergoing an open investigation with the New Mexico Attorney General over a single vendor. The outcome of this investigation is unknown as of June 30, 2017.

**NOTE 14. Commitments**

The County's commitments as of June 30, 2017 are as follows:

| <u>Project</u>                          | <u>Total Project Budget</u> | <u>Costs Incurred</u> | <u>Unexpended Project Balance</u> |
|---|-----------------------------|-----------------------|-----------------------------------|
| CLERKS OFFICE SOFTWARE UPGRADE          | \$ 96,000                   | \$ 96,582             | \$ (582)                          |
| CLERKS OFFICE CANOPY                    | 25,000                      | 3,010                 | 21,990                            |
| AVALON/ALACRON                          | 45,000                      | 107,373               | (62,373)                          |
| LANDFILL SCALE HOUSE / SHOP             | 1,700,000                   | 909,476               | 790,524                           |
| QUEEN VFD TANK                          | 150,000                     | 16,557                | 133,443                           |
| SOUTH LOOP CORRIDOR                     | 21,220,899                  | 1,892,883             | 19,328,016                        |
| HARROUN ROAD                            | 2,500,000                   | 2,552,387             | (52,387)                          |
| OTIS STATION #1 PAVING                  | 240,000                     | 330,459               | (90,459)                          |
| T/LPA-FL-5282-P STANDPIPE RD CN 2103130 | 1,800,000                   | 388,088               | 1,411,912                         |
| DETENTION CENTER SEWER LINE             | 1,300,000                   | -                     | 1,300,000                         |
| BUCK JACKSON - FORCE ACCOUNT PROJECT    | -                           | 14,715                | (14,715)                          |
| SUN COUNTRY - NEW ADDITIONAL BAY        | 450,000                     | -                     | 450,000                           |
| COTTONWOOD - NEW FIRE STATION           | 1,600,000                   | -                     | 1,600,000                         |
| FEMA PROJECTS                           | 102,048,354                 | 34,403,691            | 67,644,663                        |
| Total Commitments                       | <u>\$ 133,175,253</u>       | <u>\$ 40,715,221</u>  | <u>\$ 92,460,032</u>              |

**NOTE 15. Joint Powers Agreements**

**Sandpoint Landfill**

|                      |   |
|----------------------|---|
| Participants         | Eddy County<br>City of Carlsbad   |
| Responsible Party    | Eddy County   |
| Description          | Jointly own, operate, and use a sanitary landfill, known as Sandpoint Landfill. |
| Term of agreement    | Until Terminated  |
| Amount of project    | 50% City / 50% County   |
| County contributions | \$1,995,906   |
| Audit responsibility | City of Carlsbad  |

**STATE OF NEW MEXICO**  
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**NOTE 15. Joint Powers Agreements (continued)**

**Regional Emergency Dispatch Authority**

|                      |  |
|----------------------|--|
| Participants         | Eddy County<br>City of Artesia   |
| Responsible Party    | Regional Emergency Dispatch Authority  |
| Description          | Establish a Consolidated Communications entity in accordance with, and as authorized by, the Enhanced 911 statutes of the State of New Mexico. Establishes the Regional Emergency Dispatch Authority (REDA). |
| Term of agreement    | Until Terminated   |
| Amount of project    | 60% County / 40% City of Artesia   |
| County contributions | \$837,690  |
| Audit responsibility | Regional Emergency Dispatch Authority  |

**Emergency Management and Response Services**

|                      |   |
|----------------------|---|
| Participants         | Eddy County<br>New Mexico Commission<br>U.S. Department of Energy   |
| Responsible Party    | All   |
| Description          | Provide for the mutual assistance of the parties for the furnishing of emergency management and response services in Eddy County and the DOE WIPP Land Withdrawal Area. |
| Term of agreement    | Until Terminated  |
| Amount of project    | Unknown   |
| County contributions | Unknown   |
| Audit responsibility | Unknown   |

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

**NOTE 15. Joint Powers Agreements (continued)**

**Wildland Fire Suppression**

|                      |   |
|----------------------|---|
| Participants         | Eddy County<br>City of Carlsbad   |
| Responsible Party    | Both  |
| Description          | To provide wildland equipment for the suppression of wildland fires in the County of Eddy for use by properly trained personnel that respond to wildland fires in the County of Eddy. |
| Term of agreement    | Until Terminated  |
| Amount of project    | Unknown   |
| County contributions | Unknown   |
| Audit responsibility | None  |

**Carlsbad Caverns Law Enforcement Assistance**

|                      |  |
|----------------------|--|
| Participants         | Eddy County<br>National Park Service, U.S. Department of the Interior  |
| Responsible Party    | Both   |
| Description          | To provide law enforcement assistance within the Carlsbad Caverns National Park and certain Law Enforcement Assistance outside the boundaries of the Park. |
| Term of agreement    | Until terminated   |
| Amount of project    | Unknown  |
| County contributions | None   |
| Audit responsibility | None   |

**STATE OF NEW MEXICO**  
 Eddy County  
 Notes to the Financial Statements  
 June 30, 2017

**NOTE 15. Joint Powers Agreements (continued)**

**Law Enforcement Assistance**

|                      |   |
|----------------------|---|
| Participants         | Eddy County<br>City of Carlsbad Police Department   |
| Responsible Party    | Both  |
| Description          | To fund law enforcement through the proceeds of the Edward Byrne Memorial Justice Assistance Grant. |
| Term of agreement    | Until terminated  |
| Amount of project    | Unknown   |
| County contributions | Unknown   |
| Audit responsibility | Both  |

**Pecos Valley Drug Task Force**

|                      |  |
|----------------------|--|
| Participants         | Eddy County<br>City of Carlsbad<br>City of Artesia<br>5 <sup>th</sup> Judicial District Attorney's Office      |
| Responsible Party    | All  |
| Description          | To develop, implement, and operate a drug enforcement task force to be named the Pecos Valley Drug Task Force. |
| Term of agreement    | Until terminated   |
| Amount of project    | Unknown  |
| County contributions | Unknown  |
| Audit responsibility | Eddy County  |

**NOTE 16. Restricted Net Position**

The government-wide statement of net position reports \$59,250,836 of restricted net position, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue and capital project funds, see pages 46 and 89-93.



**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

**NOTE 17. Tax Abatements**

The County has the following tax abatement agreement:

|  |  |
|--|--|
| <b>Agency Number</b>   | 5008   |
| <b>Agency Name</b>   | Eddy County  |
| <b>Agency Type</b>   | County   |
| <b>Tax Abatement Agreement Name</b>  | Industrial Revenue Bond Agreement  |
| <b>Recipient(s) of tax abatement</b>   | Enterprise Field Services, LLC   |
| <b>Parent company(ies) of recipient(s) of tax abatement</b>  | N/A  |
| <b>Tax abatement program (name and brief description)</b>  | Industrial Revenue Bonds   |
| <b>Specific Tax(es) Being Abated</b>   | Gross Receipts Taxes, Compensating Taxes and Ad Valorem Taxes  |
| <b>Legal authority under which tax abatement agreement was entered into</b>  | NMSA 4-59-1 et seq, 1978 Comp as amended   |
| <b>Criteria that make a recipient eligible to receive a tax abatement</b>  | The project was the construction of a natural gas processing facility which included related pipelines, including both gathering lines and residue gas outlet, or takeaway lines.  |
| <b>How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)</b>   | Subject to the PILOT payments set forth in the lease, ad valorem taxes are abated. A deduction is provided with respect to tangible personal property that is integrated and qualified as part of the project and that are subject to gross receipts tax and such purchases are exempt from compensating tax   |
| <b>How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.</b>       | 100% of ad valorem and 100% of gross receipts tax and compensating taxes at the applicable rates (both subject to PILOT described in the Lease Agreement).   |
| <b>Are there provisions for recapturing abated taxes? (Yes or No)</b>  | No   |
| <b>If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.</b> | N/A  |
| <b>List each specific commitment made by the recipient of the abatement.</b>   | Pursuant to the Lease, Enterprise Field Services has agreed to undertake and complete the construction and purchase the equipment for the described project and pay the PILOT called for in the lease. The project was the construction of a natural gas processing facility which included related pipelines, including both gathering lines and residue gas outlet, or takeaway lines. |

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

**NOTE 17. Tax Abatements (continued)**

|   |   |
|---|---|
| <b>Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.</b>  | Property Tax: \$225,015.62<br>Gross Receipts Tax: Up to \$600,000,000.00 X County Gross Receipts Rate   |
| <b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment</b> | Carlsbad Municipal Schools and New Mexico State University<br>Carlsbad receive full amount of their share of taxes through PILOT as provided in the lease agreement |
| <b>For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by your agency</u> in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>  | \$45,003.12   |
| <b>For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by a different agency</u> in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year</b>                        | Carlsbad School District; \$328,871.29<br>NMSU Carlsbad Branch; \$94,632.74   |
| <b>List each specific commitment made by your agency or any other government, other than the tax abatement.</b>   | N/A   |
| <b>Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.</b>   | Yes; Eddy County, Carlsbad School District, NMSU Carlsbad Branch, and Department of Finance and Administration (Debt Service)                                       |
| <b>If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.</b>   | N/A   |

**NOTE 18. Subsequent Events**

The date to which events occurring after June 30, 2017, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is November 27, 2017 which is the date on which the financial statements were available to be issued.

**NOTE 19. Concentrations**

The County depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

**NOTE 20. Related Parties**

During the year ended June 30, 2017, the following related party transactions occurred:

| Related Party   | Vendor                              | Relationship                             | Description of Expenditures During FY '17    | Amount of Expenditures During the Year Ended June 30, 2017 | Accounts Payable Balances at June 30, 2017 |
|---|-------------------------------------|--|--|--|--|
| County Commissioner District II   | Artesia Chamber of Commerce         | Professional interest in the vendor      | Lobbying Services                            | \$ 157,287   | \$ -                                       |
| Cottonwood Volunteer Fire Fighter and Cottonwood Fire Fighter   | Artesia Fire Equipment Inc.         | Related parties are employees of vendor  | Fire Equipment and fire apparatus            | 776,111  | -  |
| Chief Deputy Assessor and Probate Judge   | Caraway, Tabor, and Byers, LLP      | Related party are owners of the vendor   | Attorney Services                            | 124,757  | 10,518                                     |
| Chairman and County Commissioner District V   | Carlsbad Dept. Development          | Voting member of the Board               | Development Agreement                        | 97,460   | -  |
| County Commissioner District V  | Carlsbad Mainstreet                 | Professional interest in the vendor      | Economic Development and Promotion Agreement | 18,911   | -  |
| Chairman  | Southeast NM Community Action Corp. | Voting member of the Board               |  | 18,911   | -  |
| Eddy County Chief for the Atoka Fire Department and Eddy County Assistant Chief for the Atoka Fire Department | White Trash Trailers, LLC           | Related parties are owners of the vendor | Repair Services                              | 2,767  | -  |
|   |                                     |  |  | <u>\$ 1,196,204</u>  | <u>\$ 10,518</u>                           |

**NOTE 21. Net Position Restatement**

As noted in the financial statements of the County's component unit, Regional Emergency Dispatch Authority, the Authority's net position was restated to correct prior year pension expense balances that included employer "pick-up" PERA contributions. The restatement resulted in a decrease of the Authority's beginning net position in the amount of \$68,762.

**NOTE 22. Subsequent Pronouncements**

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

**STATE OF NEW MEXICO**  
Eddy County  
Notes to the Financial Statements  
June 30, 2017

**NOTE 22. Subsequent Pronouncements (continued)**

In March 2016, GASB Statement No. 81, *Irrevocable Split-Interest Agreements* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

In November 2016, GASB Statement No. 83, *Certain Asset Retirement Obligations* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

In January 2017, GASB Statement No. 84 *Fiduciary Activities* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

In March 2017, GASB Statement No. 85 *Omnibus 2017* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The County is still evaluating how this pronouncement will affect the financial statements.

In May 2017, GASB Statement No. 86 *Certain Debt Extinguishment Issues* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

In June 2017, GASB Statement No. 87 *Leases* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**

Eddy County

Schedule I

Page 1 of 3

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

|   | <b>2017<br/>Measurement<br/>Date (As of and<br/>for the Year<br/>Ended June 30,<br/>2016)</b> | <b>2016<br/>Measurement<br/>Date (As of and<br/>for the Year<br/>Ended June 30,<br/>2015)</b> | <b>2015<br/>Measurement<br/>Date (As of and<br/>for the Year<br/>Ended June 30,<br/>2014)</b> |
|---|---|---|---|
| Eddy County's proportion of the net pension liability   | 1.6515%   | 1.4492%   | 1.5784%   |
| Eddy County's proportionate share of the net pension liability  | \$ 26,385,413   | \$ 11,305,315   | \$ 16,093,156   |
| Eddy County's covered payroll   | \$ 14,143,068   | \$ 13,066,555   | \$ 11,271,173   |
| Eddy County's proportionate share of the net pension liability as a percentage of its covered payroll | 186.56%   | 86.52%  | 142.78%   |
| Plan fiduciary net position as a percentage of the total pension liability                            | 69.18%  | 81.29%  | 76.99%  |

\* 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, Eddy County will present information for those years for which information is available.

See independent auditors' report.  
See notes to required supplementary information.

**STATE OF NEW MEXICO**

Eddy County

Schedule I

Page 2 of 3

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

|   | <b>2017</b>            | <b>2016</b>            | <b>2015</b>            |
|---|------------------------|------------------------|------------------------|
|   | <b>Measurement</b>     | <b>Measurement</b>     | <b>Measurement</b>     |
|   | <b>Date (As of and</b> | <b>Date (As of and</b> | <b>Date (As of and</b> |
|   | <b>for the Year</b>    | <b>for the Year</b>    | <b>for the Year</b>    |
|   | <b>Ended June 30,</b>  | <b>Ended June 30,</b>  | <b>Ended June 30,</b>  |
|   | <b>2016)</b>           | <b>2015)</b>           | <b>2014)</b>           |
| Eddy County's proportion of the net pension liability   | 1.7229%                | 1.4819%                | 1.6299%                |
| Eddy County's proportionate share of the net pension liability  | \$ 12,712,069          | \$ 4,830,833           | \$ 7,933,644           |
| Eddy County's covered payroll   | \$ 3,597,989           | \$ 3,395,017           | \$ 2,933,244           |
| Eddy County's proportionate share of the net pension liability as a percentage of its covered payroll | 353.31%                | 142.29%                | 270.47%                |
| Plan fiduciary net position as a percentage of the total pension liability                            | 69.18%                 | 81.29%                 | 76.99%                 |

\* 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, Eddy County will present information for those years for which information is available.

See independent auditors' report.  
See notes to required supplementary information.

**STATE OF NEW MEXICO**

Eddy County

Schedule I

Page 3 of 3

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

|   | <b>2017<br/>Measurement<br/>Date (As of and<br/>for the Year<br/>Ended June 30,<br/>2016)</b> | <b>2016<br/>Measurement<br/>Date (As of and<br/>for the Year<br/>Ended June 30,<br/>2015)</b> | <b>2015<br/>Measurement<br/>Date (As of and<br/>for the Year<br/>Ended June 30,<br/>2014)</b> |
|---|---|---|---|
| Eddy County's proportion of the net pension liability   | 0.1705%   | 0.0511%   | 0.0000%   |
| Eddy County's proportionate share of the net pension liability  | \$ 1,137,409  | \$ 263,736  | \$ -  |
| Eddy County's covered payroll   | \$ 198,739  | \$ 58,171   | \$ -  |
| Eddy County's proportionate share of the net pension liability as a percentage of its covered payroll | 572.31%   | 453.38%   | 0.00%   |
| Plan fiduciary net position as a percentage of the total pension liability                            | 69.18%  | 76.99%  | 81.29%  |

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

See independent auditors' report.  
See notes to required supplementary information.



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

|  | <b>As of and for<br/>the Year Ended<br/>June 30, 2017</b> | <b>As of and for the<br/>Year Ended<br/>June 30, 2016</b> | <b>As of and for the<br/>Year Ended<br/>June 30, 2015</b> |
|--|---|---|---|
| Contractually required contribution                                  | \$ 881,535  | \$ 1,350,663  | \$ 1,247,856  |
| Contributions in relation to the contractually required contribution | (881,535)   | (1,350,663)   | (1,247,856)   |
| Contribution deficiency (excess)                                     | \$ -  | \$ -  | \$ -  |
| Eddy County's covered payroll  | \$ 9,230,732  | \$ 14,143,068   | \$ 13,066,555   |
| Contributions as a percentage of covered payroll                     | 9.55%   | 9.55%   | 9.55%   |

\* 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, Eddy County will present information for those years for which information is available.

See independent auditors' report.  
 See notes to required supplementary information.

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

|  | <u>As of and for<br/>the Year Ended<br/>June 30, 2017</u> | <u>As of and for the<br/>Year Ended<br/>June 30, 2016</u> | <u>As of and for the<br/>Year Ended<br/>June 30, 2015</u> |
|--|---|---|---|
| Contractually required contribution                                  | \$ 1,146,591  | \$ 647,638  | \$ 611,103  |
| Contributions in relation to the contractually required contribution | <u>(1,146,591)</u>  | <u>(647,638)</u>  | <u>(611,103)</u>  |
| Contribution deficiency (excess)                                     | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| Eddy County's covered payroll  | \$ 6,375,390  | \$ 3,597,989  | \$ 3,395,017  |
| Contributions as a percentage of covered payroll                     | 17.98%  | 18.00%  | 18.00%  |

\* 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, Eddy County will present information for those years for which information is available.

See independent auditors' report.  
See notes to required supplementary information.

**STATE OF NEW MEXICO**  
Eddy County  
Schedule of the County's Contributions  
Public Employees Retirement Association (PERA) Plan  
PERA Fund Municipal Fire Division  
Last 10 Fiscal Years\*

|  | <u>As of and for<br/>the Year Ended<br/>June 30, 2017</u> | <u>As of and for the<br/>Year Ended<br/>June 30, 2016</u> | <u>As of and for the<br/>Year Ended<br/>June 30, 2015</u> |
|--|---|---|---|
| Contractually required contribution                                  | \$ 61,783   | \$ 43,027   | \$ 12,594   |
| Contributions in relation to the contractually required contribution | <u>(61,783)</u>   | <u>(43,027)</u>   | <u>(12,594)</u>   |
| Contribution deficiency (excess)                                     | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| Eddy County's covered payroll  | \$ 285,371  | \$ 198,739  | \$ 58,171   |
| Contributions as a percentage of covered payroll                     | 21.65%  | 21.65%  | 21.65%  |

\* 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, Eddy County will present information for those years for which information is available.

See independent auditors' report.  
See notes to required supplementary information.

**STATE OF NEW MEXICO**  
Eddy County  
Notes to Required Supplementary Information  
For the Year Ended June 30, 2017

***Changes of benefit terms.*** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY16 audit available at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

***Changes of assumptions.*** The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2016 report is available at <http://s3.amazonaws.com/boardaudio/Final-Version-2016-PERA-GASB-68-Report.pdf> See the notes to the financial statements on the CAFR pages 74-76 which summarizes actuarial assumptions and methods effective with the June 30, 2016 valuation.

See independent auditors' report.  
See notes to required supplementary information.

## **SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

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**STATE OF NEW MEXICO**  
Eddy County  
Nonmajor Governmental Fund Descriptions  
June 30, 2017

**SPECIAL REVENUE FUNDS**

**Property Valuation (2000)** - To account for administrative charges collected from ad valorem levies and used for appraisal as specified in Section 7-38-38.1 NMSA 1978.

**Treasurer's Collection (2001)** - To account for Eddy County Treasurer's Department collection of funds obtained by demand warrants and insufficient fund collections. Authority for creation of this fund is contained in Resolution R-02-07.

**Clerk Recording and Filing (2002)** - To account for funds received from charges for County services used to maintain Clerk equipment pursuant to the authority of Section 4-8-16F NMSA 1978.

**Law Enforcement Protection Act (2100)** - To account for revenues and expenditures for maintaining and improving the County's law enforcement department in order to enhance its efficiency and effectiveness. Funding is from the State appropriation authorized by Section 29-13-3, NMSA.

**Law Enforcement Traffic Safety Grant (2101)** - To account for a state grant restricted to training and equipment purchases for use in traffic safety law enforcement.

**Local Law Enforcement Block Grant (2102)** - To pay for special schools and training, along with travel for special events such as red ribbon campaigns. Authority for creation of this fund is contained in R-02-56.

**Road (2200)** - To account for revenues and expenditures for control of road maintenance. Funding is from state shared revenue. This fund was created by authority of state statutes (see Section 67-4-1, NMSA 1978 Compilation).

**Environmental GRT (2201)** - To account for environmental services gross receipts tax to be used to cover expenses associated with landfills, water systems and other environmental services. Authority for creation of this fund is contained in Resolution R-96-31.

**Farm and Range (2300)** - Congress provides for distribution among the states and territories of the United States, a portion of the revenues derived from forest reserves, commonly known as the Taylor Grazing Act. The Treasurer of the State of New Mexico shall transmit to the treasurers of the various counties, in which forest reserves are situated, the proportion to be based upon the number of acres of forest reserve in such county. Expenditures from this fund are limited to conservation of soil and water, the control of rodents and predatory animals and the extermination of poisonous and noxious weeds, the construction of dipping vats, spraying machines and other structures to control parasites on livestock, and for repair and maintenance of said vats, machines and structures and for the construction and maintenance of secondary roads. This work is contracted through the United States Department of Agriculture (USDA) Animal and Plant Health Inspection Services and Wildlife Services division. The authority to create this fund was given by 6-11-6 NMSA 1978 Compilation.

**Lodgers' Tax (2301)** - To account for funds used for advertising, publicizing and promoting tourist-related attractions, facilities and events. The authority to create this fund was given by 3-38-13 to 3-38-24, NMSA 1978 Compilation.

**Recreation (2302)** - To account for the operation, maintenance, and construction of County owned recreational facilities. Financing is provided by cigarette tax and other miscellaneous sources. (7-12-15 NMSA 1978)

**Correction Fees (2400)** - To account for special fees received on citations and used to pay for prisoners' board as specified in Section 33-3-25 NMSA 1978.

**Detention Concessions (2401)** - To account for revenues received from commissary services which are reinvested in jail and law enforcement items and inmate recreational supplies. The authority for creation of this fund is contained in agreement A-93-94.

**STATE OF NEW MEXICO**  
Eddy County  
Nonmajor Governmental Fund Descriptions  
June 30, 2017

**SPECIAL REVENUE FUNDS (Continued)**

**Jail Improvements (2402)** – To account for revenues received from inmate telephone calls and commissary services which are reinvested in jail and law enforcement items and inmate recreational supplies. The authority for creation of this fund is contained in agreement A-93-94.

**Detention SSA Initiative (2403)** – To account for fees received from the Social Security Administration upon notification by the County of inmates receiving Social Security income. These funds are required to be used for the Detention Center.

**Southwest Border Patrol Initiative (2404)** – To account for a Federal grant to reimburse County governments for costs associated with housing & processing of federally deferred criminal cases.

**G.I.S. Programs (2500)** – To account for the funds utilized in the creation of an emergency mapping system. The authority for creation of this Special Revenue Fund is contained in commission Resolution number R-99-29.

**County Indigent (2600)** - To account for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute Section 7-20E-9, NMSA 1978 Compilation

**Health Services (2601)** – To account for General Fund transfers to cover salary, benefits, & operations of the Indigent Program.

**Emergency Services (EMSER) (2700)** – Emergency Management operating fund that contains the Emergency Management Performance Grant which reimburses the county for a percentage of Emergency Management personnel salaries.

**EMSER Hazmat (2701)** – To account for Department of Energy grants, including but limited to, WIPP grants.

**EMSER WIPP Hazmat Grant (2702)** – To account for the once-a-year award to the Emergency Management Department provided by the Waste Isolation Pilot Plan to help provide training or equipment in HAZMAT cleanup.

**EMSER Homeland Security (2706)** – To account for Department of Homeland Security Grants including but not limited to SHSGP and EMPG grants.

**Eddy County DWI (2850)** - To account for State of New Mexico grant funds used to provide DWI and alcohol rehabilitation. Program assets include DWI prevention, law enforcement and deterrence, screening and assessment, and treatment. Authority for creation of this fund is contained in agreement A-94-24 (State project #93-D-I-G-16).

**DWI DARE Donations (2851)** – Created to account for DWI/DARE public donations for the programs. These donation monies are used to provide water and sandwiches for officers working the checkpoints and other patrols.

**DWI Grant (2852)** – Created to account for the DWI Grant from the State of New Mexico. Funds are used for the DWI counselor salaries and Accudetox services for clients.

**DWI Traffic Safety (2854)** – To account for state grants used to develop and implement training programs related to traffic safety pursuant to New Mexico grant 25-CD-95-31.

**DWI School (2855)** – Created to account for fees for DWI offenders who were sentenced to DWI School.

**Fire Excise – Atoka (2900)** – To account for fire excise tax revenue for the Atoka volunteer fire department.

**Fire Excise – Cottonwood (2901)** – To account for fire excise tax revenue for the Cottonwood volunteer fire department.

**STATE OF NEW MEXICO**  
Eddy County  
Nonmajor Governmental Fund Descriptions  
June 30, 2017

**SPECIAL REVENUE FUNDS (Continued)**

**Fire Excise – Happy Valley (2902)** – To account for fire excise tax revenue for the Happy Valley volunteer fire department

**Fire Excise – Joel (2903)** – To account for fire excise tax revenue for the Joel volunteer fire department.

**Fire Excise – La Huerta (2904)** – To account for fire excise tax revenue for the La Huerta volunteer fire department.

**Fire Excise – Loco Hills (2905)** – To account for fire excise tax revenue for the Loco Hills volunteer fire department.

**Fire Excise – Otis (2906)** – To account for fire excise tax revenue for the Otis volunteer fire department.

**Fire Excise – Sun Country (2908)** – To account for fire excise tax revenue for the Sun Country volunteer fire department.

**Fire Excise – Queen (2909)** – To account for fire excise tax revenue for the Queen volunteer fire department.

**Fire Excise – Riverside (2910)** – To account for fire excise tax revenue for the Riverside volunteer fire department.

**Fire Excise – Malaga (2911)** – To account for fire excise tax revenue for the Malaga volunteer fire department.

**Fire Excise – Loving (2912)** – To account for fire excise tax revenue for the Loving volunteer fire department.

**Fire Excise – Hope (2913)** – To account for fire excise tax revenue for the Hope volunteer fire department.

**Fire Excise – County 60% (2917)** – To account for fire excise tax revenue for the Administration of the volunteer fire departments.

**Fire Excise Reserve (2918)** – Reserve fund for recovery for any catastrophic event that may occur within the volunteer fire departments (i.e., loss of a station or fire truck) as outlined in Resolution R-09-53.

**Fire Excise – Administration (2919)** - This fund is used to account for gross receipts taxes imposed at .25% outside the boundaries of incorporated areas to be used for operations or capital outlay for Eddy County independent fire districts.

**VFD - Atoka (2940)** – To account for the operations and maintenance of the Atoka Fire District. Financing is provided by allotments from the State of New Mexico and expenditures restricted by Section 59A-53-1 to 59A-53-19 NMSA 1978.

**VFD - Cottonwood (2941)** – To account for the operations and maintenance of the Cottonwood Fire District. Financing is provided by allotments from the State of New Mexico and expenditures restricted by Section 59A-53-1 to 59A-53-19 NMSA 1978.

**VFD - Happy Valley (2942)** – To account for the operations and maintenance of the Happy Valley Fire District. Financing is provided by allotments from the State of New Mexico and expenditures restricted by Section 59A-53-1 to 59A-53-19 NMSA 1978.

**VFD - Joel (2943)** – To account for the operations and maintenance of the Joel Fire District. Financing is provided by allotments from the State of New Mexico and expenditures restricted by Section 59A-53-1 to 59A-53-19 NMSA 1978.

**STATE OF NEW MEXICO**  
Eddy County  
Nonmajor Governmental Fund Descriptions  
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**SPECIAL REVENUE FUNDS (Continued)**

**VFD - La Huerta (2944)** - To account for the operations and maintenance of the La Huerta Fire District. Financing is provided by allotments from the State of New Mexico and expenditures restricted by Section 59A-53-1 to 59A-53-19 NMSA 1978.

**VFD - Loco Hills (2945)** - To account for the operations and maintenance of the Loco Hills Fire District. Financing is provided by allotments from the State of New Mexico and expenditures restricted by Section 59A-53-1 to 59A-53-19 NMSA 1978.

**VFD - Otis (2946)** - To account for the operations and maintenance of the Otis Fire District. Financing is provided by allotments from the State of New Mexico and expenditures restricted by Section 59A-53-1 to 59A-53-19 NMSA 1978.

**VFD - Sun Country (2948)** - To account for the operations and maintenance of the Sun County Fire District. Financing is provided by allotments from the State of New Mexico and expenditures restricted by Section 59A-53-1 to 59A-53-19 NMSA 1978.

**VFD - Queen (2949)** - To account for the operations and maintenance of the Queen Fire District. Financing is provided by allotments from the State of New Mexico and expenditures restricted by Section 59A-53-1 to 59A-53-19 NMSA 1978.

**VFD - Riverside (2950)** - To account for the operations and maintenance of the Riverside Fire District. Financing is provided by allotments from the State of New Mexico and expenditures restricted by Section 59A-53-1 to 59A-53-19 NMSA 1978.

**VFD - Malaga (2951)** - To account for the operations and maintenance of the Malaga Fire District. Financing is provided by allotments from the State of New Mexico and expenditures restricted by Section 59A-53-1 to 59A-53-19 NMSA 1978.

**VFD - Administration (2959)** - To account for the operations and maintenance of the Administration of the Fire District. Financing is provided by allotments from the State of New Mexico and expenditures restricted by Section 59A-53-1 to 59A-53-19 NMSA 1978.

**Contributions & Donations - Atoka (2970)** - To account for miscellaneous funds that do not adhere to the requirements for the state fire funds or fire excise funds. R-15-31.

**Contributions & Donations - Cottonwood (2971)** - To account for miscellaneous funds that do not adhere to the requirements for the state fire funds or fire excise funds. R-15-31.

**Contributions & Donations - Happy Valley (2972)** - To account for miscellaneous funds that do not adhere to the requirements for the state fire funds or fire excise funds. R-15-31.

**Contributions & Donations - Joel (2973)** - To account for miscellaneous funds that do not adhere to the requirements for the state fire funds or fire excise funds. R-15-31.

**Contributions & Donations - La Huerta (2974)** - To account for miscellaneous funds that do not adhere to the requirements for the state fire funds or fire excise funds. R-15-31.

**Contributions & Donations - Loco Hills (2975)** - To account for miscellaneous funds that do not adhere to the requirements for the state fire funds or fire excise funds. R-15-31.

**Contributions & Donations - Otis (2976)** - To account for miscellaneous funds that do not adhere to the requirements for the state fire funds or fire excise funds. R-15-31.

**STATE OF NEW MEXICO**  
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Nonmajor Governmental Fund Descriptions  
June 30, 2017

**SPECIAL REVENUE FUNDS (Continued)**

**Contributions & Donations - Sun Country (2977)** - To account for miscellaneous funds that do not adhere to the requirements for the state fire funds or fire excise funds. R-15-31.

**Contributions & Donations - Queen (2978)** - To account for miscellaneous funds that do not adhere to the requirements for the state fire funds or fire excise funds. R-15-31.

**Contributions & Donations - Riverside (2979)** - To account for miscellaneous funds that do not adhere to the requirements for the state fire funds or fire excise funds. R-15-31.

**Contributions & Donations - Malaga (2980)** - To account for miscellaneous funds that do not adhere to the requirements for the state fire funds or fire excise funds. R-15-31.

**Fire Admin Contributions & Donations (2990)** - To account for miscellaneous funds that do not adhere to the requirements for the state fire funds or fire excise funds. R-15-31.

**Motor Vehicle (5800)** - To account for state funds used to operate the Artesia Motor Vehicle Office. Authority for creation of this fund is contained in Resolution R-99-53.

**Region VI Administration (7103)** - To account for administrative activities related to drug task force law enforcement in the Region VI area.

**HIDTA (7201)** - To account for federal grants used to maintain intelligence files, carry out narcotic investigations and multi-jurisdictional investigations, pursuant to the authority of the Anti-Drug Abuse Act of 1988, Public Law 100-690, Title VI, Subtitle C. .

**Detention Center (7800)** - Grant funding for the Pecos Valley Drug Task Force received under the 09 Recovery Act: Edward Bryne Memorial Justice Assistance Program. A-09-152.

**CAPITAL PROJECTS FUNDS**

**Building Construction (3000)**- To account for monies set aside for the future construction of projects.

**Legislative Project (3100)** - To account for all legislative monies that are awarded to the County. R-15-02.

**Land Acquisition (3300)** - To account for land acquisition throughout the County. R-15-02.

**Capital Improvement (3400)** - To account for major capital projects that take place within the County. R-15-02.

**STATE OF NEW MEXICO**  
Eddy County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

|  | <b>Special Revenue</b>        |                                   |                                       |   |
|--|-------------------------------|-----------------------------------|---------------------------------------|---|
|  | <b>Property<br/>Valuation</b> | <b>Treasurer's<br/>Collection</b> | <b>Clerk Recording<br/>and Filing</b> | <b>Law<br/>Enforcement<br/>Protection Act</b> |
| <i>Assets</i>  |                               |                                   |                                       |   |
| Cash and cash equivalents  | \$ 911,272                    | \$ 39,404                         | \$ 341,789                            | \$ 148  |
| Receivables:   |                               |                                   |                                       |   |
| Other taxes  | -                             | -                                 | -                                     | -   |
| Intergovernmental  | -                             | -                                 | -                                     | -   |
| Other receivables  | -                             | -                                 | -                                     | -   |
| <i>Total assets</i>  | <b>\$ 911,272</b>             | <b>\$ 39,404</b>                  | <b>\$ 341,789</b>                     | <b>\$ 148</b>                                 |
| <i>Liabilities</i>   |                               |                                   |                                       |   |
| Accounts payable   | \$ 534                        | \$ -                              | \$ 4,313                              | \$ -  |
| Accrued payroll  | 1,448                         | -                                 | -                                     | -   |
| <i>Total liabilities</i>   | <b>1,982</b>                  | <b>-</b>                          | <b>4,313</b>                          | <b>-</b>                                      |
| <i>Fund balances</i>   |                               |                                   |                                       |   |
| Spendable  |                               |                                   |                                       |   |
| Restricted for:  |                               |                                   |                                       |   |
| General county operations  | 909,290                       | 39,404                            | 337,476                               | -   |
| Fire departments   | -                             | -                                 | -                                     | -   |
| Road maintenance   | -                             | -                                 | -                                     | -   |
| Environmental  | -                             | -                                 | -                                     | -   |
| Public safety  | -                             | -                                 | -                                     | 148   |
| Healthcare   | -                             | -                                 | -                                     | -   |
| Community improvement  | -                             | -                                 | -                                     | -   |
| Capital expenditures   | -                             | -                                 | -                                     | -   |
| Minimum fund balance   | -                             | -                                 | -                                     | -   |
| <i>Total fund balances</i>   | <b>909,290</b>                | <b>39,404</b>                     | <b>337,476</b>                        | <b>148</b>                                    |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <b>\$ 911,272</b>             | <b>\$ 39,404</b>                  | <b>\$ 341,789</b>                     | <b>\$ 148</b>                                 |

See independent auditors' report.

**Special Revenue**

| <b>Law Enforcement Traffic Safety Grant</b> | <b>Local Law Enforcement Block Grant</b> | <b>Road</b>         | <b>Environmental GRT</b> | <b>Farm and Range</b> | <b>Lodgers' Tax</b> |
|---|--|---------------------|--------------------------|-----------------------|---------------------|
| \$ 12,248                                   | \$ 24,495                                | \$ 4,830,844        | \$ 5,645,048             | \$ 33,402             | \$ 47,614           |
| -   | -  | 240,295             | 350,904                  | -                     | 10,704              |
| -   | -  | -                   | -                        | -                     | -                   |
| -   | -  | 4,200               | 373,736                  | -                     | -                   |
| <u>\$ 12,248</u>                            | <u>\$ 24,495</u>                         | <u>\$ 5,075,339</u> | <u>\$ 6,369,688</u>      | <u>\$ 33,402</u>      | <u>\$ 58,318</u>    |
| \$ -  | \$ -                                     | \$ 229,204          | \$ 196,536               | \$ -                  | \$ -                |
| -   | -  | 83,017              | 29,870                   | -                     | -                   |
| -   | -  | 312,221             | 226,406                  | -                     | -                   |
| -   | -  | -                   | -                        | 33,402                | 58,318              |
| -   | -  | -                   | -                        | -                     | -                   |
| -   | -  | 4,173,137           | -                        | -                     | -                   |
| -   | -  | -                   | 6,143,282                | -                     | -                   |
| 12,248                                      | 24,495                                   | -                   | -                        | -                     | -                   |
| -   | -  | -                   | -                        | -                     | -                   |
| -   | -  | -                   | -                        | -                     | -                   |
| -   | -  | -                   | -                        | -                     | -                   |
| -   | -  | 589,981             | -                        | -                     | -                   |
| <u>12,248</u>                               | <u>24,495</u>                            | <u>4,763,118</u>    | <u>6,143,282</u>         | <u>33,402</u>         | <u>58,318</u>       |
| <u>\$ 12,248</u>                            | <u>\$ 24,495</u>                         | <u>\$ 5,075,339</u> | <u>\$ 6,369,688</u>      | <u>\$ 33,402</u>      | <u>\$ 58,318</u>    |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

|  | <b>Special Revenue</b> |                        |                                 |                              |
|--|------------------------|------------------------|---------------------------------|------------------------------|
|  | <b>Recreation</b>      | <b>Correction Fees</b> | <b>Detention<br/>Concession</b> | <b>Jail<br/>Improvements</b> |
| <i>Assets</i>  |                        |                        |                                 |                              |
| Cash and cash equivalents  | \$ 25,369              | \$ 306,579             | \$ 255,023                      | \$ 347,356                   |
| Receivables:   |                        |                        |                                 |                              |
| Other taxes  | -                      | -                      | -                               | -                            |
| Intergovernmental  | -                      | -                      | -                               | -                            |
| Other receivables  | -                      | -                      | 3,147                           | 8,000                        |
| <i>Total assets</i>  | \$ 25,369              | \$ 306,579             | \$ 258,170                      | \$ 355,356                   |
| <i>Liabilities</i>   |                        |                        |                                 |                              |
| Accounts payable   | \$ -                   | \$ 42,658              | \$ 276                          | \$ -                         |
| Accrued payroll  | -                      | -                      | -                               | -                            |
| <i>Total liabilities</i>   | -                      | 42,658                 | 276                             | -                            |
| <i>Fund balances</i>   |                        |                        |                                 |                              |
| Spendable  |                        |                        |                                 |                              |
| Restricted for:  |                        |                        |                                 |                              |
| General county operations  | -                      | -                      | -                               | -                            |
| Fire departments   | -                      | -                      | -                               | -                            |
| Road maintenance   | -                      | -                      | -                               | -                            |
| Environmental  | -                      | -                      | -                               | -                            |
| Public safety  | -                      | 263,921                | 257,894                         | 355,356                      |
| Healthcare   | -                      | -                      | -                               | -                            |
| Community improvement  | 25,369                 | -                      | -                               | -                            |
| Capital expenditures   | -                      | -                      | -                               | -                            |
| Minimum fund balance   | -                      | -                      | -                               | -                            |
| <i>Total fund balances</i>   | 25,369                 | 263,921                | 257,894                         | 355,356                      |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | \$ 25,369              | \$ 306,579             | \$ 258,170                      | \$ 355,356                   |

See independent auditors' report.



**Special Revenue**

| <b>Detention SSA Initiative</b> | <b>Southwest Border Patrol Initiative</b> | <b>G.I.S. Programs</b> | <b>County Indigent</b> | <b>Health Services</b> | <b>Emergency Services</b> |
|---------------------------------|---|------------------------|------------------------|------------------------|---------------------------|
| \$ 72,600                       | \$ 160,248                                | \$ 143,781             | \$ 4,515,287           | \$ 531,246             | \$ 198,394                |
| -                               | -   | -                      | 698,649                | -                      | -                         |
| -                               | -   | -                      | -                      | -                      | -                         |
| -                               | -   | 5,697                  | -                      | -                      | 2,500                     |
| <u>\$ 72,600</u>                | <u>\$ 160,248</u>                         | <u>\$ 149,478</u>      | <u>\$ 5,213,936</u>    | <u>\$ 531,246</u>      | <u>\$ 200,894</u>         |
| \$ -                            | \$ -                                      | \$ -                   | \$ -                   | \$ -                   | \$ 1,637                  |
| -                               | -   | -                      | -                      | -                      | 1,556                     |
| -                               | -   | -                      | -                      | -                      | 3,193                     |
| -                               | -   | 149,478                | -                      | -                      | -                         |
| -                               | -   | -                      | -                      | -                      | -                         |
| -                               | -   | -                      | -                      | -                      | -                         |
| -                               | -   | -                      | -                      | -                      | -                         |
| 72,600                          | 160,248                                   | -                      | -                      | -                      | 197,701                   |
| -                               | -   | -                      | 5,213,936              | 531,246                | -                         |
| -                               | -   | -                      | -                      | -                      | -                         |
| -                               | -   | -                      | -                      | -                      | -                         |
| -                               | -   | -                      | -                      | -                      | -                         |
| <u>72,600</u>                   | <u>160,248</u>                            | <u>149,478</u>         | <u>5,213,936</u>       | <u>531,246</u>         | <u>197,701</u>            |
| <u>\$ 72,600</u>                | <u>\$ 160,248</u>                         | <u>\$ 149,478</u>      | <u>\$ 5,213,936</u>    | <u>\$ 531,246</u>      | <u>\$ 200,894</u>         |

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**STATE OF NEW MEXICO**  
Eddy County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

|  | <b>Special Revenue</b>  |  |  |                            |
|--|-------------------------|--|--|----------------------------|
|  | <b>EMSER<br/>Hazmat</b> | <b>EMSER WIPP<br/>Hazmat<br/>Grant</b> | <b>EMSER<br/>Homeland<br/>Security</b> | <b>Eddy County<br/>DWI</b> |
| <i>Assets</i>  |                         |  |  |                            |
| Cash and cash equivalents  | \$ -                    | \$ -                                   | \$ -                                   | \$ 89,706                  |
| Receivables:   |                         |  |  |                            |
| Other taxes  | -                       | -                                      | -                                      | -                          |
| Intergovernmental  | 76,399                  | -                                      | -                                      | -                          |
| Other receivables  | -                       | -                                      | -                                      | -                          |
| <b>Total assets</b>  | <b>\$ 76,399</b>        | <b>\$ -</b>                            | <b>\$ -</b>                            | <b>\$ 89,706</b>           |
| <i>Liabilities</i>   |                         |  |  |                            |
| Accounts payable   | \$ 4,949                | \$ -                                   | \$ -                                   | \$ 574                     |
| Accrued payroll  | -                       | -                                      | -                                      | 10,175                     |
| <b>Total liabilities</b>   | <b>4,949</b>            | <b>-</b>                               | <b>-</b>                               | <b>10,749</b>              |
| <i>Fund balances</i>   |                         |  |  |                            |
| Spendable  |                         |  |  |                            |
| Restricted for:  |                         |  |  |                            |
| General county operations  | -                       | -                                      | -                                      | -                          |
| Fire departments   | -                       | -                                      | -                                      | -                          |
| Road maintenance   | -                       | -                                      | -                                      | -                          |
| Environmental  | -                       | -                                      | -                                      | -                          |
| Public safety  | 71,450                  | -                                      | -                                      | 78,957                     |
| Healthcare   | -                       | -                                      | -                                      | -                          |
| Community improvement  | -                       | -                                      | -                                      | -                          |
| Capital expenditures   | -                       | -                                      | -                                      | -                          |
| Minimum fund balance   | -                       | -                                      | -                                      | -                          |
| <b>Total fund balances</b>   | <b>71,450</b>           | <b>-</b>                               | <b>-</b>                               | <b>78,957</b>              |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balances</b> | <b>\$ 76,399</b>        | <b>\$ -</b>                            | <b>\$ -</b>                            | <b>\$ 89,706</b>           |

See independent auditors' report.

**Special Revenue**

| <b>DWI DARE<br/>Donations</b> | <b>DWI Grant</b> | <b>DWI<br/>Traffic Safety</b> | <b>DWI School</b> | <b>Fire Excise<br/>Atoka</b> | <b>Fire Excise<br/>Cottonwood</b> |
|-------------------------------|------------------|-------------------------------|-------------------|------------------------------|-----------------------------------|
| \$ 25,228                     | \$ 40,370        | \$ 9,509                      | \$ 12,920         | \$ 254,244                   | \$ 859,965                        |
| -                             | -                | -                             | -                 | 23,810                       | 23,810                            |
| -                             | -                | 10,636                        | -                 | -                            | -                                 |
| 940                           | -                | -                             | -                 | -                            | -                                 |
| <b>\$ 26,168</b>              | <b>\$ 40,370</b> | <b>\$ 20,145</b>              | <b>\$ 12,920</b>  | <b>\$ 278,054</b>            | <b>\$ 883,775</b>                 |
| \$ -                          | \$ 255           | \$ -                          | \$ -              | \$ -                         | \$ 260                            |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | 255              | -                             | -                 | -                            | 260                               |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | -                | -                             | -                 | 278,054                      | 883,515                           |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | -                | -                             | -                 | -                            | -                                 |
| 26,168                        | 40,115           | 20,145                        | 12,920            | -                            | -                                 |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | -                | -                             | -                 | -                            | -                                 |
| <b>26,168</b>                 | <b>40,115</b>    | <b>20,145</b>                 | <b>12,920</b>     | <b>278,054</b>               | <b>883,515</b>                    |
| <b>\$ 26,168</b>              | <b>\$ 40,370</b> | <b>\$ 20,145</b>              | <b>\$ 12,920</b>  | <b>\$ 278,054</b>            | <b>\$ 883,775</b>                 |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

**Special Revenue**

|  | <b>Fire Excise<br/>Happy Valley</b> | <b>Fire Excise<br/>Joel</b> | <b>Fire Excise<br/>La Huerta</b> | <b>Fire Excise<br/>Loco Hills</b> |
|--|-------------------------------------|-----------------------------|----------------------------------|-----------------------------------|
| <i>Assets</i>  |                                     |                             |                                  |                                   |
| Cash and cash equivalents  | \$ 343,355                          | \$ 553,290                  | \$ 644,909                       | \$ 414,762                        |
| Receivables:   |                                     |                             |                                  |                                   |
| Other taxes  | 23,810                              | 23,810                      | 23,810                           | 23,810                            |
| Intergovernmental  | -                                   | -                           | -                                | -                                 |
| Other receivables  | -                                   | -                           | -                                | -                                 |
| <b>Total assets</b>  | <b>\$ 367,165</b>                   | <b>\$ 577,100</b>           | <b>\$ 668,719</b>                | <b>\$ 438,572</b>                 |
| <i>Liabilities</i>   |                                     |                             |                                  |                                   |
| Accounts payable   | \$ -                                | \$ -                        | \$ -                             | \$ -                              |
| Accrued payroll  | -                                   | -                           | -                                | -                                 |
| <b>Total liabilities</b>   | <b>-</b>                            | <b>-</b>                    | <b>-</b>                         | <b>-</b>                          |
| <i>Fund balances</i>   |                                     |                             |                                  |                                   |
| Spendable  |                                     |                             |                                  |                                   |
| Restricted for:  |                                     |                             |                                  |                                   |
| General county operations  | -                                   | -                           | -                                | -                                 |
| Fire departments   | 367,165                             | 577,100                     | 668,719                          | 438,572                           |
| Road maintenance   | -                                   | -                           | -                                | -                                 |
| Environmental  | -                                   | -                           | -                                | -                                 |
| Public safety  | -                                   | -                           | -                                | -                                 |
| Healthcare   | -                                   | -                           | -                                | -                                 |
| Community improvement  | -                                   | -                           | -                                | -                                 |
| Capital expenditures   | -                                   | -                           | -                                | -                                 |
| Minimum fund balance   | -                                   | -                           | -                                | -                                 |
| <b>Total fund balances</b>   | <b>367,165</b>                      | <b>577,100</b>              | <b>668,719</b>                   | <b>438,572</b>                    |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balances</b> | <b>\$ 367,165</b>                   | <b>\$ 577,100</b>           | <b>\$ 668,719</b>                | <b>\$ 438,572</b>                 |

See independent auditors' report.

**Special Revenue**

| <b>Fire Excise<br/>Otis</b> | <b>Fire Excise<br/>Sun Country</b> | <b>Fire Excise<br/>Queen</b> | <b>Fire Excise<br/>Riverside</b> | <b>Fire Excise<br/>Malaga</b> | <b>Fire Excise<br/>Loving</b> |
|-----------------------------|------------------------------------|------------------------------|----------------------------------|-------------------------------|-------------------------------|
| \$ 93,839                   | \$ 500,865                         | \$ 431,632                   | \$ 160,769                       | \$ 282,569                    | \$ 412,446                    |
| 23,810                      | 23,810                             | 23,810                       | 23,810                           | 23,810                        | 6,597                         |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| -                           | -                                  | -                            | -                                | 243                           | -                             |
| <u>\$ 117,649</u>           | <u>\$ 524,675</u>                  | <u>\$ 455,442</u>            | <u>\$ 184,579</u>                | <u>\$ 306,622</u>             | <u>\$ 419,043</u>             |
| \$ 70                       | \$ -                               | \$ -                         | \$ -                             | \$ -                          | \$ -                          |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| <u>70</u>                   | <u>-</u>                           | <u>-</u>                     | <u>-</u>                         | <u>-</u>                      | <u>-</u>                      |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| 117,579                     | 524,675                            | 455,442                      | 184,579                          | 306,622                       | 419,043                       |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| <u>117,579</u>              | <u>524,675</u>                     | <u>455,442</u>               | <u>184,579</u>                   | <u>306,622</u>                | <u>419,043</u>                |
| <u>\$ 117,649</u>           | <u>\$ 524,675</u>                  | <u>\$ 455,442</u>            | <u>\$ 184,579</u>                | <u>\$ 306,622</u>             | <u>\$ 419,043</u>             |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

**Special Revenue**

|  | <b>Fire Excise<br/>Hope</b> | <b>Fire Excise<br/>County 60%</b> | <b>Fire Excise<br/>Reserve</b> | <b>Fire Excise<br/>Admin</b> |
|--|-----------------------------|-----------------------------------|--------------------------------|------------------------------|
| <i>Assets</i>  |                             |                                   |                                |                              |
| Cash and cash equivalents  | \$ 524,481                  | \$ 5,892,237                      | \$ 500,000                     | \$ 104,231                   |
| Receivables:   |                             |                                   |                                |                              |
| Other taxes  | 6,597                       | 412,660                           | -                              | 14,036                       |
| Intergovernmental  | -                           | -                                 | -                              | -                            |
| Other receivables  | -                           | -                                 | -                              | -                            |
| <b>Total assets</b>  | <b>\$ 531,078</b>           | <b>\$ 6,304,897</b>               | <b>\$ 500,000</b>              | <b>\$ 118,267</b>            |
| <i>Liabilities</i>   |                             |                                   |                                |                              |
| Accounts payable   | \$ -                        | \$ 510                            | \$ -                           | \$ -                         |
| Accrued payroll  | -                           | -                                 | -                              | -                            |
| <b>Total liabilities</b>   | <b>-</b>                    | <b>510</b>                        | <b>-</b>                       | <b>-</b>                     |
| <i>Fund balances</i>   |                             |                                   |                                |                              |
| Spendable  |                             |                                   |                                |                              |
| Restricted for:  |                             |                                   |                                |                              |
| General county operations  | -                           | -                                 | -                              | -                            |
| Fire departments   | 531,078                     | 6,304,387                         | 500,000                        | 118,267                      |
| Road maintenance   | -                           | -                                 | -                              | -                            |
| Environmental  | -                           | -                                 | -                              | -                            |
| Public safety  | -                           | -                                 | -                              | -                            |
| Healthcare   | -                           | -                                 | -                              | -                            |
| Community improvement  | -                           | -                                 | -                              | -                            |
| Capital expenditures   | -                           | -                                 | -                              | -                            |
| Minimum fund balance   | -                           | -                                 | -                              | -                            |
| <b>Total fund balances</b>   | <b>531,078</b>              | <b>6,304,387</b>                  | <b>500,000</b>                 | <b>118,267</b>               |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balances</b> | <b>\$ 531,078</b>           | <b>\$ 6,304,897</b>               | <b>\$ 500,000</b>              | <b>\$ 118,267</b>            |

See independent auditors' report.

**Special Revenue**

| <b>VFD<br/>Akota</b> | <b>VFD<br/>Cottonwood</b> | <b>VFD<br/>Happy Valley</b> | <b>VFD<br/>Joel</b> | <b>VFD<br/>La Huerta</b> | <b>VFD<br/>Loco Hills</b> |
|----------------------|---------------------------|-----------------------------|---------------------|--------------------------|---------------------------|
| \$ 117,326           | \$ 90,237                 | \$ 36,734                   | \$ 378,053          | \$ 184,763               | \$ 33,775                 |
| -                    | -                         | -                           | -                   | -                        | -                         |
| 4,100                | -                         | -                           | 158                 | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| <u>\$ 121,426</u>    | <u>\$ 90,237</u>          | <u>\$ 36,734</u>            | <u>\$ 378,211</u>   | <u>\$ 184,763</u>        | <u>\$ 33,775</u>          |
| \$ 1,314             | \$ 1,057                  | \$ 1,086                    | \$ 3,381            | \$ 1,073                 | \$ 302                    |
| -                    | -                         | -                           | -                   | -                        | -                         |
| <u>1,314</u>         | <u>1,057</u>              | <u>1,086</u>                | <u>3,381</u>        | <u>1,073</u>             | <u>302</u>                |
| -                    | -                         | -                           | -                   | -                        | -                         |
| 120,112              | 89,180                    | 35,648                      | 374,830             | 183,690                  | 33,473                    |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| <u>120,112</u>       | <u>89,180</u>             | <u>35,648</u>               | <u>374,830</u>      | <u>183,690</u>           | <u>33,473</u>             |
| <u>\$ 121,426</u>    | <u>\$ 90,237</u>          | <u>\$ 36,734</u>            | <u>\$ 378,211</u>   | <u>\$ 184,763</u>        | <u>\$ 33,775</u>          |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

**Special Revenue**

|  | <b>VFD<br/>Otis</b> | <b>VFD<br/>Sun Country</b> | <b>VFD<br/>Queen</b> | <b>VFD<br/>Riverside</b> |
|--|---------------------|----------------------------|----------------------|--------------------------|
| <i>Assets</i>  |                     |                            |                      |                          |
| Cash and cash equivalents  | \$ 94,961           | \$ 423,521                 | \$ 134,634           | \$ 52,378                |
| Receivables:   |                     |                            |                      |                          |
| Other taxes  | -                   | -                          | -                    | -                        |
| Intergovernmental  | -                   | -                          | -                    | -                        |
| Other receivables  | -                   | 50                         | -                    | -                        |
| <i>Total assets</i>  | <u>\$ 94,961</u>    | <u>\$ 423,571</u>          | <u>\$ 134,634</u>    | <u>\$ 52,378</u>         |
| <i>Liabilities</i>   |                     |                            |                      |                          |
| Accounts payable   | \$ 2,220            | \$ 1,448                   | \$ 98                | \$ 467                   |
| Accrued payroll  | -                   | -                          | -                    | -                        |
| <i>Total liabilities</i>   | <u>2,220</u>        | <u>1,448</u>               | <u>98</u>            | <u>467</u>               |
| <i>Fund balances</i>   |                     |                            |                      |                          |
| Spendable  |                     |                            |                      |                          |
| Restricted for:  |                     |                            |                      |                          |
| General county operations  | -                   | -                          | -                    | -                        |
| Fire departments   | 92,741              | 422,123                    | 134,536              | 51,911                   |
| Road maintenance   | -                   | -                          | -                    | -                        |
| Environmental  | -                   | -                          | -                    | -                        |
| Public safety  | -                   | -                          | -                    | -                        |
| Healthcare   | -                   | -                          | -                    | -                        |
| Community improvement  | -                   | -                          | -                    | -                        |
| Capital expenditures   | -                   | -                          | -                    | -                        |
| Minimum fund balance   | -                   | -                          | -                    | -                        |
| <i>Total fund balances</i>   | <u>92,741</u>       | <u>422,123</u>             | <u>134,536</u>       | <u>51,911</u>            |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <u>\$ 94,961</u>    | <u>\$ 423,571</u>          | <u>\$ 134,634</u>    | <u>\$ 52,378</u>         |

See independent auditors' report.



**Special Revenue**

| <b>VFD<br/>Malaga</b> | <b>VFD<br/>Administration</b> | <b>Contributions &amp;<br/>Donations<br/>Atoka</b> | <b>Contributions &amp;<br/>Donations<br/>Cottonwood</b> | <b>Contributions &amp;<br/>Donations<br/>Happy Valley</b> | <b>Contributions &amp;<br/>Donations<br/>Joel</b> |
|-----------------------|-------------------------------|--|---|---|---|
| \$ 62,610             | \$ 19,486                     | \$ 2,808   | \$ 5,066  | \$ -  | \$ 22,835   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| <u>\$ 62,610</u>      | <u>\$ 19,486</u>              | <u>\$ 2,808</u>                                    | <u>\$ 5,066</u>   | <u>\$ -</u>   | <u>\$ 22,835</u>                                  |
| \$ 893                | \$ -                          | \$ -   | \$ -  | \$ -  | \$ -  |
| -                     | -                             | -  | -   | -   | -   |
| <u>893</u>            | <u>-</u>                      | <u>-</u>   | <u>-</u>  | <u>-</u>  | <u>-</u>  |
| -                     | -                             | -  | -   | -   | -   |
| 61,717                | 19,486                        | 2,808  | 5,066   | -   | 22,835  |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| <u>61,717</u>         | <u>19,486</u>                 | <u>2,808</u>                                       | <u>5,066</u>  | <u>-</u>  | <u>22,835</u>                                     |
| <u>\$ 62,610</u>      | <u>\$ 19,486</u>              | <u>\$ 2,808</u>                                    | <u>\$ 5,066</u>   | <u>\$ -</u>   | <u>\$ 22,835</u>                                  |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

|  | <b>Special Revenue</b>                                 |   |   |  |
|--|--|---|---|--|
|  | <b>Contributions &amp;<br/>Donations<br/>La Huerta</b> | <b>Contributions &amp;<br/>Donations<br/>Loco Hills</b> | <b>Contributions &amp;<br/>Donations<br/>Otis</b> | <b>Contributions &amp;<br/>Donations<br/>Sun Country</b> |
| <i>Assets</i>  |  |   |   |  |
| Cash and cash equivalents  | \$ 13,985  | \$ 6,627  | \$ 11,265   | \$ 6,052   |
| Receivables:   |  |   |   |  |
| Other taxes  | -  | -   | -   | -  |
| Intergovernmental  | -  | -   | -   | -  |
| Other receivables  | -  | -   | -   | -  |
| <i>Total assets</i>  | <b>\$ 13,985</b>                                       | <b>\$ 6,627</b>   | <b>\$ 11,265</b>                                  | <b>\$ 6,052</b>  |
| <i>Liabilities</i>   |  |   |   |  |
| Accounts payable   | \$ -   | \$ -  | \$ -  | \$ -   |
| Accrued payroll  | -  | -   | -   | -  |
| <i>Total liabilities</i>   | -  | -   | -   | -  |
| <i>Fund balances</i>   |  |   |   |  |
| Spendable  |  |   |   |  |
| Restricted for:  |  |   |   |  |
| General county operations  | -  | -   | -   | -  |
| Fire departments   | 13,985   | 6,627   | 11,265  | 6,052  |
| Road maintenance   | -  | -   | -   | -  |
| Environmental  | -  | -   | -   | -  |
| Public safety  | -  | -   | -   | -  |
| Healthcare   | -  | -   | -   | -  |
| Community improvement  | -  | -   | -   | -  |
| Capital expenditures   | -  | -   | -   | -  |
| Minimum fund balance   | -  | -   | -   | -  |
| <i>Total fund balances</i>   | 13,985   | 6,627   | 11,265  | 6,052  |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <b>\$ 13,985</b>                                       | <b>\$ 6,627</b>   | <b>\$ 11,265</b>                                  | <b>\$ 6,052</b>  |

See independent auditors' report.

**Special Revenue**

| <b>Contributions &amp; Donations<br/>Queen</b> | <b>Contributions &amp; Donations<br/>Riverside</b> | <b>Contributions &amp; Donations<br/>Malaga</b> | <b>Contributions &amp; Donations<br/>Fire Admin</b> | <b>Motor Vehicle</b> | <b>Region VI<br/>Administration</b> |
|--|--|---|---|----------------------|-------------------------------------|
| \$ -   | \$ 1,883   | \$ 14,239                                       | \$ 269,685  | \$ 273,186           | \$ -                                |
| -  | -  | -   | -   | 15,541               | -                                   |
| -  | -  | -   | -   | -                    | 28,863                              |
| -  | -  | -   | -   | 495                  | -                                   |
| <b>\$ -</b>                                    | <b>\$ 1,883</b>                                    | <b>\$ 14,239</b>                                | <b>\$ 269,685</b>                                   | <b>\$ 289,222</b>    | <b>\$ 28,863</b>                    |
| \$ -   | \$ -   | \$ -  | \$ -  | \$ 18                | \$ 1,153                            |
| -  | -  | -   | -   | 6,345                | 1,894                               |
| -  | -  | -   | -   | 6,363                | 3,047                               |
| -  | -  | -   | -   | 282,859              | -                                   |
| -  | 1,883  | 14,239  | 269,685   | -                    | -                                   |
| -  | -  | -   | -   | -                    | -                                   |
| -  | -  | -   | -   | -                    | 25,816                              |
| -  | -  | -   | -   | -                    | -                                   |
| -  | -  | -   | -   | -                    | -                                   |
| -  | -  | -   | -   | -                    | -                                   |
| -  | 1,883  | 14,239  | 269,685   | 282,859              | 25,816                              |
| <b>\$ -</b>                                    | <b>\$ 1,883</b>                                    | <b>\$ 14,239</b>                                | <b>\$ 269,685</b>                                   | <b>\$ 289,222</b>    | <b>\$ 28,863</b>                    |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

|  | <u>Special Revenue</u> |                             | <u>Capital Projects</u>          |                                 |
|--|------------------------|-----------------------------|----------------------------------|---------------------------------|
|  | <u>HIDTA</u>           | <u>Detention<br/>Center</u> | <u>Building<br/>Construction</u> | <u>Legislative<br/>Projects</u> |
| <i>Assets</i>  |                        |                             |                                  |                                 |
| Cash and cash equivalents  | \$ 155,911             | \$ 30,332                   | \$ 4,178,774                     | \$ 41,730                       |
| Receivables:   |                        |                             |                                  |                                 |
| Other taxes  | -                      | -                           | -                                | -                               |
| Intergovernmental  | 111,029                | -                           | -                                | -                               |
| Other receivables  | -                      | -                           | -                                | -                               |
| <i>Total assets</i>  | <u>\$ 266,940</u>      | <u>\$ 30,332</u>            | <u>\$ 4,178,774</u>              | <u>\$ 41,730</u>                |
| <i>Liabilities</i>   |                        |                             |                                  |                                 |
| Accounts payable   | \$ 337                 | \$ -                        | \$ -                             | \$ -                            |
| Accrued payroll  | 7,722                  | -                           | -                                | -                               |
| <i>Total liabilities</i>   | <u>8,059</u>           | <u>-</u>                    | <u>-</u>                         | <u>-</u>                        |
| <i>Fund balances</i>   |                        |                             |                                  |                                 |
| Spendable  |                        |                             |                                  |                                 |
| Restricted for:  |                        |                             |                                  |                                 |
| General county operations  | -                      | -                           | -                                | -                               |
| Fire departments   | -                      | -                           | -                                | -                               |
| Road maintenance   | -                      | -                           | -                                | -                               |
| Environmental  | -                      | -                           | -                                | -                               |
| Public safety  | 258,881                | 30,332                      | -                                | -                               |
| Healthcare   | -                      | -                           | -                                | -                               |
| Community improvement  | -                      | -                           | -                                | -                               |
| Capital expenditures   | -                      | -                           | 4,178,774                        | 41,730                          |
| Minimum fund balance   | -                      | -                           | -                                | -                               |
| <i>Total fund balances</i>   | <u>258,881</u>         | <u>30,332</u>               | <u>4,178,774</u>                 | <u>41,730</u>                   |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <u>\$ 266,940</u>      | <u>\$ 30,332</u>            | <u>\$ 4,178,774</u>              | <u>\$ 41,730</u>                |

See independent auditors' report.

| <b>Capital Projects</b> |                             |                             |
|-------------------------|-----------------------------|-----------------------------|
| <b>Land Acquisition</b> | <b>Capital Improvements</b> | <b>Total Nonmajor Funds</b> |
| \$ 20,000               | \$ 245,948                  | \$ 37,522,278               |
| -                       | -                           | 2,017,893                   |
| -                       | -                           | 231,185                     |
| -                       | -                           | 399,008                     |
| <b>\$ 20,000</b>        | <b>\$ 245,948</b>           | <b>\$ 40,170,364</b>        |
| \$ -                    | \$ -                        | \$ 496,623                  |
| -                       | -                           | 142,027                     |
| -                       | -                           | 638,650                     |
| -                       | -                           | 1,810,227                   |
| -                       | -                           | 14,648,689                  |
| -                       | -                           | 4,173,137                   |
| -                       | -                           | 6,143,282                   |
| -                       | -                           | 1,909,395                   |
| -                       | -                           | 5,745,182                   |
| -                       | -                           | 25,369                      |
| 20,000                  | 245,948                     | 4,486,452                   |
| -                       | -                           | 589,981                     |
| <b>20,000</b>           | <b>245,948</b>              | <b>39,531,714</b>           |
| <b>\$ 20,000</b>        | <b>\$ 245,948</b>           | <b>\$ 40,170,364</b>        |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2017

|  | <b>Special Revenue</b>        |                                   |                                       |   |
|--|-------------------------------|-----------------------------------|---------------------------------------|---|
|  | <b>Property<br/>Valuation</b> | <b>Treasurer's<br/>Collection</b> | <b>Clerk Recording<br/>and Filing</b> | <b>Law<br/>Enforcement<br/>Protection Act</b> |
| <i>Revenues</i>  |                               |                                   |                                       |   |
| Taxes:   |                               |                                   |                                       |   |
| Property   | \$ 462,121                    | \$ -                              | \$ -                                  | \$ -  |
| Gross receipts   | -                             | -                                 | -                                     | -   |
| Gasoline and motor vehicle                               | -                             | -                                 | -                                     | -   |
| Lodgers  | -                             | -                                 | -                                     | -   |
| Intergovernmental:                                       |                               |                                   |                                       |   |
| Federal operating grants                                 | -                             | -                                 | -                                     | -   |
| State operating grants                                   | -                             | -                                 | -                                     | 55,400  |
| State capital grants                                     | -                             | -                                 | -                                     | -   |
| Local sources  | -                             | -                                 | -                                     | -   |
| Charges for services                                     | -                             | 9,431                             | 108,902                               | -   |
| Miscellaneous  | -                             | 4                                 | -                                     | -   |
| <i>Total revenues</i>                                    | <u>462,121</u>                | <u>9,435</u>                      | <u>108,902</u>                        | <u>55,400</u>                                 |
| <i>Expenditures</i>                                      |                               |                                   |                                       |   |
| Current:   |                               |                                   |                                       |   |
| General government                                       | 577,964                       | 4,087                             | 28,159                                | -   |
| Public safety  | -                             | -                                 | -                                     | 55,401  |
| Culture and recreation                                   | -                             | -                                 | -                                     | -   |
| Health and welfare                                       | -                             | -                                 | -                                     | -   |
| Highway and roads  | -                             | -                                 | -                                     | -   |
| Capital outlay   | 27,110                        | -                                 | 123,948                               | -   |
| Debt service:  |                               |                                   |                                       |   |
| Principal  | -                             | -                                 | -                                     | -   |
| Interest   | -                             | -                                 | -                                     | -   |
| <i>Total expenditures</i>                                | <u>605,074</u>                | <u>4,087</u>                      | <u>152,107</u>                        | <u>55,401</u>                                 |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(142,953)</u>              | <u>5,348</u>                      | <u>(43,205)</u>                       | <u>(1)</u>                                    |
| <i>Other financing sources (uses)</i>                    |                               |                                   |                                       |   |
| Proceeds from sale of assets                             | -                             | -                                 | -                                     | -   |
| Transfers in   | -                             | -                                 | -                                     | -   |
| Transfers (out)  | -                             | -                                 | -                                     | -   |
| <i>Total other financing sources (uses)</i>              | <u>-</u>                      | <u>-</u>                          | <u>-</u>                              | <u>-</u>                                      |
| <i>Net change in fund balances</i>                       | (142,953)                     | 5,348                             | (43,205)                              | (1)   |
| <i>Fund balances - beginning of year</i>                 | <u>1,052,243</u>              | <u>34,056</u>                     | <u>380,681</u>                        | <u>149</u>                                    |
| <i>Fund balances - end of year</i>                       | <u>\$ 909,290</u>             | <u>\$ 39,404</u>                  | <u>\$ 337,476</u>                     | <u>\$ 148</u>                                 |

See independent auditors' report.

**Special Revenue**

| <b>Law Enforcement Traffic Safety Grant</b> | <b>Local Law Enforcement Block Grant</b> | <b>Road</b>         | <b>Environmental GRT</b> | <b>Farm and Range</b> | <b>Lodgers' Tax</b> |
|---|--|---------------------|--------------------------|-----------------------|---------------------|
| \$ -  | \$ -                                     | \$ -                | \$ -                     | \$ -                  | \$ -                |
| -   | -  | -                   | 1,941,437                | -                     | -                   |
| -   | -  | 1,452,318           | -                        | -                     | -                   |
| -   | -  | -                   | -                        | -                     | 78,265              |
| -   | -  | 5,835               | -                        | 42,189                | -                   |
| -   | -  | 550,685             | -                        | -                     | -                   |
| -   | -  | -                   | -                        | -                     | -                   |
| -   | -  | -                   | 1,051,062                | -                     | -                   |
| -   | -  | 44,050              | 539,808                  | -                     | -                   |
| -   | -  | 444,462             | 44,893                   | -                     | -                   |
| -   | -  | <u>2,497,350</u>    | <u>3,577,200</u>         | <u>42,189</u>         | <u>78,265</u>       |
| -   | -  | -                   | -                        | 51,750                | 121,435             |
| -   | -  | -                   | -                        | -                     | -                   |
| -   | -  | -                   | -                        | -                     | -                   |
| -   | -  | -                   | 1,992,134                | -                     | -                   |
| -   | -  | 5,593,161           | -                        | -                     | -                   |
| -   | -  | 1,486,616           | 658,629                  | -                     | -                   |
| -   | -  | -                   | 547,066                  | -                     | -                   |
| -   | -  | -                   | 101,583                  | -                     | -                   |
| -   | -  | <u>7,079,777</u>    | <u>3,299,412</u>         | <u>51,750</u>         | <u>121,435</u>      |
| -   | -  | <u>(4,582,427)</u>  | <u>277,788</u>           | <u>(9,561)</u>        | <u>(43,170)</u>     |
| -   | -  | 1,104               | 13,177                   | -                     | -                   |
| -   | -  | 4,789,665           | -                        | 29,000                | -                   |
| -   | -  | -                   | -                        | -                     | -                   |
| -   | -  | <u>4,790,769</u>    | <u>13,177</u>            | <u>29,000</u>         | <u>-</u>            |
| -   | -  | 208,342             | 290,965                  | 19,439                | (43,170)            |
| <u>12,248</u>                               | <u>24,495</u>                            | <u>4,554,776</u>    | <u>5,852,317</u>         | <u>13,963</u>         | <u>101,488</u>      |
| <u>\$ 12,248</u>                            | <u>\$ 24,495</u>                         | <u>\$ 4,763,118</u> | <u>\$ 6,143,282</u>      | <u>\$ 33,402</u>      | <u>\$ 58,318</u>    |

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**STATE OF NEW MEXICO**  
Eddy County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2017

|  | <b>Special Revenue</b> |                        |                                 |                              |
|--|------------------------|------------------------|---------------------------------|------------------------------|
|  | <b>Recreation</b>      | <b>Correction Fees</b> | <b>Detention<br/>Concession</b> | <b>Jail<br/>Improvements</b> |
| <i>Revenues</i>  |                        |                        |                                 |                              |
| Taxes:   |                        |                        |                                 |                              |
| Property   | \$ -                   | \$ -                   | \$ -                            | \$ -                         |
| Gross receipts   | -                      | -                      | -                               | -                            |
| Gasoline and motor vehicle                               | -                      | -                      | -                               | -                            |
| Lodgers  | -                      | -                      | -                               | -                            |
| Intergovernmental:                                       |                        |                        |                                 |                              |
| Federal operating grants                                 | -                      | -                      | -                               | -                            |
| State operating grants                                   | -                      | -                      | -                               | -                            |
| State capital grants                                     | -                      | -                      | -                               | -                            |
| Local sources  | -                      | -                      | -                               | -                            |
| Charges for services                                     | -                      | 175,107                | 41,364                          | 48,171                       |
| Miscellaneous  | -                      | -                      | 6,556                           | 612                          |
| <i>Total revenues</i>                                    | <u>-</u>               | <u>175,107</u>         | <u>47,920</u>                   | <u>48,783</u>                |
| <i>Expenditures</i>                                      |                        |                        |                                 |                              |
| Current:   |                        |                        |                                 |                              |
| General government                                       | -                      | -                      | -                               | -                            |
| Public safety  | -                      | 553,378                | 10,495                          | 66,520                       |
| Culture and recreation                                   | 5,578                  | -                      | -                               | -                            |
| Health and welfare                                       | -                      | -                      | -                               | -                            |
| Highway and roads  | -                      | -                      | -                               | -                            |
| Capital outlay   | -                      | -                      | -                               | -                            |
| Debt service:  |                        |                        |                                 |                              |
| Principal  | -                      | -                      | -                               | -                            |
| Interest   | -                      | -                      | -                               | -                            |
| <i>Total expenditures</i>                                | <u>5,578</u>           | <u>553,378</u>         | <u>10,495</u>                   | <u>66,520</u>                |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(5,578)</u>         | <u>(378,271)</u>       | <u>37,425</u>                   | <u>(17,737)</u>              |
| <i>Other financing sources (uses)</i>                    |                        |                        |                                 |                              |
| Proceeds from sale of assets                             | -                      | -                      | -                               | -                            |
| Transfers in   | -                      | 450,000                | -                               | -                            |
| Transfers (out)  | -                      | -                      | -                               | -                            |
| <i>Total other financing sources (uses)</i>              | <u>-</u>               | <u>450,000</u>         | <u>-</u>                        | <u>-</u>                     |
| <i>Net change in fund balances</i>                       | (5,578)                | 71,729                 | 37,425                          | (17,737)                     |
| <i>Fund balances - beginning of year</i>                 | <u>30,947</u>          | <u>192,192</u>         | <u>220,469</u>                  | <u>373,093</u>               |
| <i>Fund balances - end of year</i>                       | <u>\$ 25,369</u>       | <u>\$ 263,921</u>      | <u>\$ 257,894</u>               | <u>\$ 355,356</u>            |

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**Special Revenue**

| <b>Detention SSA Initiative</b> | <b>Southwest Border Patrol Initiative</b> | <b>G.I.S. Programs</b> | <b>County Indigent</b> | <b>Healthier Services</b> | <b>Emergency Services</b> |
|---------------------------------|---|------------------------|------------------------|---------------------------|---------------------------|
| \$ -                            | \$ -                                      | \$ -                   | \$ -                   | \$ -                      | \$ -                      |
| -                               | -   | -                      | 4,040,088              | -                         | -                         |
| -                               | -   | -                      | -                      | -                         | -                         |
| -                               | -   | -                      | -                      | -                         | -                         |
| -                               | -   | -                      | -                      | -                         | -                         |
| -                               | -   | -                      | 3,000                  | -                         | -                         |
| -                               | -   | -                      | -                      | -                         | -                         |
| -                               | -   | 7,767                  | -                      | -                         | 250                       |
| -                               | -   | -                      | 592,388                | -                         | 2,500                     |
| -                               | -   | 7,767                  | 4,635,476              | -                         | 2,750                     |
| -                               | -   | 97,653                 | -                      | -                         | -                         |
| -                               | -   | -                      | -                      | -                         | 95,776                    |
| -                               | -   | -                      | -                      | -                         | -                         |
| -                               | -   | -                      | 5,263,383              | 180,784                   | -                         |
| -                               | 183,577                                   | -                      | -                      | -                         | -                         |
| -                               | -   | -                      | -                      | -                         | -                         |
| -                               | 183,577                                   | 97,653                 | 5,263,383              | 180,784                   | 95,776                    |
| -                               | (183,577)                                 | (89,886)               | (627,907)              | (180,784)                 | (93,026)                  |
| -                               | -   | -                      | -                      | -                         | -                         |
| -                               | -   | -                      | 2,500,000              | -                         | 16,250                    |
| -                               | -   | -                      | -                      | -                         | (30,150)                  |
| -                               | -   | -                      | 2,500,000              | -                         | (13,900)                  |
| -                               | (183,577)                                 | (89,886)               | 1,872,093              | (180,784)                 | (106,926)                 |
| 72,600                          | 343,825                                   | 239,364                | 3,341,843              | 712,030                   | 304,627                   |
| <u>\$ 72,600</u>                | <u>\$ 160,248</u>                         | <u>\$ 149,478</u>      | <u>\$ 5,213,936</u>    | <u>\$ 531,246</u>         | <u>\$ 197,701</u>         |

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**STATE OF NEW MEXICO**  
Eddy County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2017

|  | <b>Special Revenue</b>                   |                                  |  |                            |
|--|--|----------------------------------|--|----------------------------|
|  | <b>Emergency<br/>Services<br/>Hazmat</b> | <b>WIPP<br/>Hazmat<br/>Grant</b> | <b>EMSER<br/>Homeland<br/>Security</b> | <b>Eddy County<br/>DWI</b> |
| <i>Revenues</i>  |  |                                  |  |                            |
| Taxes:   |  |                                  |  |                            |
| Property   | \$ -                                     | \$ -                             | \$ -                                   | \$ -                       |
| Gross receipts   | -  | -                                | -                                      | -                          |
| Gasoline and motor vehicle                               | -  | -                                | -                                      | -                          |
| Lodgers  | -  | -                                | -                                      | -                          |
| Intergovernmental:                                       |  |                                  |  |                            |
| Federal operating grants                                 | 439,938                                  | 5,000                            | -                                      | -                          |
| State operating grants                                   | -  | -                                | -                                      | 370,511                    |
| State capital grants                                     | -  | -                                | -                                      | -                          |
| Local sources  | -  | -                                | -                                      | -                          |
| Charges for services                                     | -  | -                                | -                                      | 16,468                     |
| Miscellaneous  | -  | -                                | -                                      | 6                          |
| <b>Total revenues</b>                                    | <b>439,938</b>                           | <b>5,000</b>                     | <b>-</b>                               | <b>386,985</b>             |
| <i>Expenditures</i>                                      |  |                                  |  |                            |
| Current:   |  |                                  |  |                            |
| General government                                       | -  | -                                | -                                      | -                          |
| Public safety  | 250,833                                  | 16,996                           | -                                      | -                          |
| Culture and recreation                                   | -  | -                                | -                                      | -                          |
| Health and welfare                                       | -  | -                                | -                                      | 567,616                    |
| Highway and roads  | -  | -                                | -                                      | -                          |
| Capital outlay   | 194,054                                  | 42,609                           | -                                      | -                          |
| Debt service:  |  |                                  |  |                            |
| Principal  | -  | -                                | -                                      | -                          |
| Interest   | -  | -                                | -                                      | -                          |
| <b>Total expenditures</b>                                | <b>444,887</b>                           | <b>59,605</b>                    | <b>-</b>                               | <b>567,616</b>             |
| <i>Excess (deficiency) of revenues over expenditures</i> | <b>(4,949)</b>                           | <b>(54,605)</b>                  | <b>-</b>                               | <b>(180,631)</b>           |
| <i>Other financing sources (uses)</i>                    |  |                                  |  |                            |
| Proceeds from sale of assets                             | -  | -                                | -                                      | -                          |
| Transfers in   | 76,399                                   | -                                | 30,150                                 | 170,603                    |
| Transfers (out)  | -  | -                                | (30,150)                               | -                          |
| <b>Total other financing sources (uses)</b>              | <b>76,399</b>                            | <b>-</b>                         | <b>-</b>                               | <b>170,603</b>             |
| <i>Net change in fund balances</i>                       | <b>71,450</b>                            | <b>(54,605)</b>                  | <b>-</b>                               | <b>(10,028)</b>            |
| <i>Fund balances - beginning of year</i>                 | <b>-</b>                                 | <b>54,605</b>                    | <b>-</b>                               | <b>88,985</b>              |
| <i>Fund balances - end of year</i>                       | <b>\$ 71,450</b>                         | <b>\$ -</b>                      | <b>\$ -</b>                            | <b>\$ 78,957</b>           |

See independent auditors' report.

**Special Revenue**

| <b>DWI DARE<br/>Donations</b> | <b>DWI Grant</b> | <b>DWI<br/>Traffic Safety</b> | <b>DWI School</b> | <b>Fire Excise<br/>Atoka</b> | <b>Fire Excise<br/>Cottonwood</b> |
|-------------------------------|------------------|-------------------------------|-------------------|------------------------------|-----------------------------------|
| \$ -                          | \$ -             | \$ -                          | \$ -              | \$ -                         | \$ -                              |
| -                             | -                | -                             | -                 | 127,725                      | 127,725                           |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | -                | 10,636                        | -                 | -                            | -                                 |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | -                | -                             | -                 | -                            | -                                 |
| 14,069                        | -                | -                             | 4,525             | -                            | -                                 |
| 940                           | -                | -                             | -                 | 2                            | -                                 |
| <u>15,009</u>                 | <u>-</u>         | <u>10,636</u>                 | <u>4,525</u>      | <u>127,727</u>               | <u>127,725</u>                    |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | -                | -                             | -                 | 69,952                       | 72,989                            |
| -                             | -                | -                             | -                 | -                            | -                                 |
| 11,850                        | 256              | 4,014                         | 10,958            | -                            | -                                 |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | -                | -                             | -                 | -                            | 64,971                            |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | -                | -                             | -                 | -                            | -                                 |
| <u>11,850</u>                 | <u>256</u>       | <u>4,014</u>                  | <u>10,958</u>     | <u>69,952</u>                | <u>137,960</u>                    |
| <u>3,159</u>                  | <u>(256)</u>     | <u>6,622</u>                  | <u>(6,433)</u>    | <u>57,775</u>                | <u>(10,235)</u>                   |
| -                             | -                | -                             | -                 | -                            | 4,250                             |
| -                             | -                | -                             | -                 | -                            | -                                 |
| -                             | -                | -                             | -                 | -                            | -                                 |
| <u>-</u>                      | <u>-</u>         | <u>-</u>                      | <u>-</u>          | <u>-</u>                     | <u>4,250</u>                      |
| 3,159                         | (256)            | 6,622                         | (6,433)           | 57,775                       | (5,985)                           |
| <u>23,009</u>                 | <u>40,371</u>    | <u>13,523</u>                 | <u>19,353</u>     | <u>220,279</u>               | <u>889,500</u>                    |
| <u>\$ 26,168</u>              | <u>\$ 40,115</u> | <u>\$ 20,145</u>              | <u>\$ 12,920</u>  | <u>\$ 278,054</u>            | <u>\$ 883,515</u>                 |

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**STATE OF NEW MEXICO**  
Eddy County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2017

|  | <b>Special Revenue</b>              |                             |                                  |                                   |
|--|-------------------------------------|-----------------------------|----------------------------------|-----------------------------------|
|  | <b>Fire Excise<br/>Happy Valley</b> | <b>Fire Excise<br/>Joel</b> | <b>Fire Excise<br/>La Huerta</b> | <b>Fire Excise<br/>Loco Hills</b> |
| <i>Revenues</i>  |                                     |                             |                                  |                                   |
| Taxes:   |                                     |                             |                                  |                                   |
| Property   | \$ -                                | \$ -                        | \$ -                             | \$ -                              |
| Gross receipts   | 127,725                             | 127,725                     | 127,725                          | 127,725                           |
| Gasoline and motor vehicle                               | -                                   | -                           | -                                | -                                 |
| Lodgers  | -                                   | -                           | -                                | -                                 |
| Intergovernmental:                                       |                                     |                             |                                  |                                   |
| Federal operating grants                                 | -                                   | -                           | -                                | -                                 |
| State operating grants                                   | -                                   | -                           | -                                | -                                 |
| State capital grants                                     | -                                   | -                           | -                                | -                                 |
| Local sources  | -                                   | -                           | -                                | -                                 |
| Charges for services                                     | -                                   | -                           | -                                | -                                 |
| Miscellaneous  | -                                   | -                           | -                                | -                                 |
| <i>Total revenues</i>                                    | <u>127,725</u>                      | <u>127,725</u>              | <u>127,725</u>                   | <u>127,725</u>                    |
| <i>Expenditures</i>                                      |                                     |                             |                                  |                                   |
| Current:   |                                     |                             |                                  |                                   |
| General government                                       | -                                   | -                           | -                                | -                                 |
| Public safety  | 104,964                             | 69,843                      | 18,434                           | 3,511                             |
| Culture and recreation                                   | -                                   | -                           | -                                | -                                 |
| Health and welfare                                       | -                                   | -                           | -                                | -                                 |
| Highway and roads  | -                                   | -                           | -                                | -                                 |
| Capital outlay   | -                                   | -                           | -                                | -                                 |
| Debt service:  |                                     |                             |                                  |                                   |
| Principal  | -                                   | -                           | -                                | -                                 |
| Interest   | -                                   | -                           | -                                | -                                 |
| <i>Total expenditures</i>                                | <u>104,964</u>                      | <u>69,843</u>               | <u>18,434</u>                    | <u>3,511</u>                      |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>22,761</u>                       | <u>57,882</u>               | <u>109,291</u>                   | <u>124,214</u>                    |
| <i>Other financing sources (uses)</i>                    |                                     |                             |                                  |                                   |
| Proceeds from sale of assets                             | -                                   | -                           | -                                | -                                 |
| Transfers in   | -                                   | -                           | -                                | -                                 |
| Transfers (out)  | -                                   | (946)                       | -                                | -                                 |
| <i>Total other financing sources (uses)</i>              | <u>-</u>                            | <u>(946)</u>                | <u>-</u>                         | <u>-</u>                          |
| <i>Net change in fund balances</i>                       | 22,761                              | 56,936                      | 109,291                          | 124,214                           |
| <i>Fund balances - beginning of year</i>                 | <u>344,404</u>                      | <u>520,164</u>              | <u>559,428</u>                   | <u>314,358</u>                    |
| <i>Fund balances - end of year</i>                       | <u>\$ 367,165</u>                   | <u>\$ 577,100</u>           | <u>\$ 668,719</u>                | <u>\$ 438,572</u>                 |

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**Special Revenue**

| <b>Fire Excise<br/>Otis</b> | <b>Fire Excise<br/>Sun Country</b> | <b>Fire Excise<br/>Queen</b> | <b>Fire Excise<br/>Riverside</b> | <b>Fire Excise<br/>Malaga</b> | <b>Fire Excise<br/>Loving</b> |
|-----------------------------|------------------------------------|------------------------------|----------------------------------|-------------------------------|-------------------------------|
| \$ -                        | \$ -                               | \$ -                         | \$ -                             | \$ -                          | \$ -                          |
| 127,725                     | 127,725                            | 127,725                      | 127,725                          | 127,725                       | 58,555                        |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| 152                         | -                                  | -                            | -                                | 254                           | -                             |
| <u>127,877</u>              | <u>127,725</u>                     | <u>127,725</u>               | <u>127,725</u>                   | <u>127,979</u>                | <u>58,555</u>                 |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| 29,490                      | 81,688                             | 6,100                        | 9,772                            | 58,928                        | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| 547,893                     | 58,762                             | 361,304                      | 244,921                          | 323,574                       | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| <u>577,383</u>              | <u>140,450</u>                     | <u>367,404</u>               | <u>254,693</u>                   | <u>382,502</u>                | <u>-</u>                      |
| <u>(449,506)</u>            | <u>(12,725)</u>                    | <u>(239,679)</u>             | <u>(126,968)</u>                 | <u>(254,523)</u>              | <u>58,555</u>                 |
| -                           | -                                  | -                            | 1,615                            | -                             | -                             |
| -                           | -                                  | -                            | -                                | -                             | -                             |
| <u>(311)</u>                | -                                  | -                            | -                                | -                             | -                             |
| <u>(311)</u>                | -                                  | -                            | 1,615                            | -                             | -                             |
| (449,817)                   | (12,725)                           | (239,679)                    | (125,353)                        | (254,523)                     | 58,555                        |
| <u>567,396</u>              | <u>537,400</u>                     | <u>695,121</u>               | <u>309,932</u>                   | <u>561,145</u>                | <u>360,488</u>                |
| <u>\$ 117,579</u>           | <u>\$ 524,675</u>                  | <u>\$ 455,442</u>            | <u>\$ 184,579</u>                | <u>\$ 306,622</u>             | <u>\$ 419,043</u>             |

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**STATE OF NEW MEXICO**  
Eddy County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2017

|  | <b>Special Revenue</b>      |                                   |                                |                              |
|--|-----------------------------|-----------------------------------|--------------------------------|------------------------------|
|  | <b>Fire Excise<br/>Hope</b> | <b>Fire Excise<br/>County 60%</b> | <b>Fire Excise<br/>Reserve</b> | <b>Fire Excise<br/>Admin</b> |
| <i>Revenues</i>  |                             |                                   |                                |                              |
| Taxes:   |                             |                                   |                                |                              |
| Property   | \$ -                        | \$ -                              | \$ -                           | \$ -                         |
| Gross receipts   | 58,555                      | 2,283,129                         | -                              | 77,657                       |
| Gasoline and motor vehicle                               | -                           | -                                 | -                              | -                            |
| Lodgers  | -                           | -                                 | -                              | -                            |
| Intergovernmental:                                       |                             |                                   |                                |                              |
| Federal operating grants                                 | -                           | -                                 | -                              | -                            |
| State operating grants                                   | -                           | -                                 | -                              | -                            |
| State capital grants                                     | -                           | -                                 | -                              | -                            |
| Local sources  | -                           | -                                 | -                              | -                            |
| Charges for services                                     | -                           | -                                 | -                              | -                            |
| Miscellaneous  | -                           | -                                 | -                              | -                            |
| <i>Total revenues</i>                                    | <u>58,555</u>               | <u>2,283,129</u>                  | <u>-</u>                       | <u>77,657</u>                |
| <i>Expenditures</i>                                      |                             |                                   |                                |                              |
| Current:   |                             |                                   |                                |                              |
| General government                                       | -                           | -                                 | -                              | -                            |
| Public safety  | -                           | 220,771                           | -                              | 52,194                       |
| Culture and recreation                                   | -                           | -                                 | -                              | -                            |
| Health and welfare                                       | -                           | -                                 | -                              | -                            |
| Highway and roads  | -                           | -                                 | -                              | -                            |
| Capital outlay   | -                           | 970,211                           | -                              | -                            |
| Debt service:  |                             |                                   |                                |                              |
| Principal  | -                           | -                                 | -                              | -                            |
| Interest   | -                           | -                                 | -                              | -                            |
| <i>Total expenditures</i>                                | <u>-</u>                    | <u>1,190,982</u>                  | <u>-</u>                       | <u>52,194</u>                |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>58,555</u>               | <u>1,092,147</u>                  | <u>-</u>                       | <u>25,463</u>                |
| <i>Other financing sources (uses)</i>                    |                             |                                   |                                |                              |
| Proceeds from sale of assets                             | -                           | -                                 | -                              | 2,348                        |
| Transfers in   | -                           | -                                 | -                              | -                            |
| Transfers (out)  | -                           | -                                 | -                              | -                            |
| <i>Total other financing sources (uses)</i>              | <u>-</u>                    | <u>-</u>                          | <u>-</u>                       | <u>2,348</u>                 |
| <i>Net change in fund balances</i>                       | 58,555                      | 1,092,147                         | -                              | 27,811                       |
| <i>Fund balances - beginning of year</i>                 | <u>472,523</u>              | <u>5,212,240</u>                  | <u>500,000</u>                 | <u>90,456</u>                |
| <i>Fund balances - end of year</i>                       | <u>\$ 531,078</u>           | <u>\$ 6,304,387</u>               | <u>\$ 500,000</u>              | <u>\$ 118,267</u>            |

See independent auditors' report.

**Special Revenue**

| <b>VFD<br/>Akota</b> | <b>VFD<br/>Cottonwood</b> | <b>VFD<br/>Happy Valley</b> | <b>VFD<br/>Joel</b> | <b>VFD<br/>La Huerta</b> | <b>VFD<br/>Loco Hills</b> |
|----------------------|---------------------------|-----------------------------|---------------------|--------------------------|---------------------------|
| \$ -                 | \$ -                      | \$ -                        | \$ -                | \$ -                     | \$ -                      |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| 183,198              | 183,198                   | 115,493                     | 314,619             | 183,198                  | 79,650                    |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| 1                    | 119                       | -                           | 581                 | -                        | 150                       |
| <u>183,199</u>       | <u>183,317</u>            | <u>115,493</u>              | <u>315,200</u>      | <u>183,198</u>           | <u>79,800</u>             |
| -                    | -                         | -                           | -                   | -                        | -                         |
| 97,675               | 95,792                    | 88,129                      | 138,850             | 125,530                  | 57,259                    |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | 11,330              | -                        | 11,170                    |
| -                    | -                         | -                           | -                   | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| <u>97,675</u>        | <u>95,792</u>             | <u>88,129</u>               | <u>150,180</u>      | <u>125,530</u>           | <u>68,429</u>             |
| <u>85,524</u>        | <u>87,525</u>             | <u>27,364</u>               | <u>165,020</u>      | <u>57,668</u>            | <u>11,371</u>             |
| 5,628                | -                         | 5,656                       | -                   | -                        | 6,300                     |
| -                    | -                         | -                           | 946                 | -                        | -                         |
| -                    | -                         | -                           | -                   | -                        | -                         |
| <u>5,628</u>         | <u>-</u>                  | <u>5,656</u>                | <u>946</u>          | <u>-</u>                 | <u>6,300</u>              |
| 91,152               | 87,525                    | 33,020                      | 165,966             | 57,668                   | 17,671                    |
| 28,960               | 1,655                     | 2,628                       | 208,864             | 126,022                  | 15,802                    |
| <u>\$ 120,112</u>    | <u>\$ 89,180</u>          | <u>\$ 35,648</u>            | <u>\$ 374,830</u>   | <u>\$ 183,690</u>        | <u>\$ 33,473</u>          |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2017

|  | <b>Special Revenue</b> |                            |                      |                          |
|--|------------------------|----------------------------|----------------------|--------------------------|
|  | <b>VFD<br/>Otis</b>    | <b>VFD<br/>Sun Country</b> | <b>VFD<br/>Queen</b> | <b>VFD<br/>Riverside</b> |
| <i>Revenues</i>  |                        |                            |                      |                          |
| Taxes:   |                        |                            |                      |                          |
| Property   | \$ -                   | \$ -                       | \$ -                 | \$ -                     |
| Gross receipts   | -                      | -                          | -                    | -                        |
| Gasoline and motor vehicle                               | -                      | -                          | -                    | -                        |
| Lodgers  | -                      | -                          | -                    | -                        |
| Intergovernmental:                                       |                        |                            |                      |                          |
| Federal operating grants                                 | -                      | -                          | -                    | -                        |
| State operating grants                                   | 167,266                | 183,198                    | 75,667               | 83,633                   |
| State capital grants                                     | -                      | -                          | -                    | -                        |
| Local sources  | -                      | -                          | -                    | -                        |
| Charges for services                                     | -                      | -                          | -                    | -                        |
| Miscellaneous  | 42                     | 188                        | -                    | 28                       |
| <i>Total revenues</i>                                    | <u>167,308</u>         | <u>183,386</u>             | <u>75,667</u>        | <u>83,661</u>            |
| <i>Expenditures</i>                                      |                        |                            |                      |                          |
| Current:   |                        |                            |                      |                          |
| General government                                       | -                      | -                          | -                    | -                        |
| Public safety  | 101,001                | 111,163                    | 29,622               | 52,257                   |
| Culture and recreation                                   | -                      | -                          | -                    | -                        |
| Health and welfare                                       | -                      | -                          | -                    | -                        |
| Highway and roads  | -                      | -                          | -                    | -                        |
| Capital outlay   | 97,627                 | -                          | 2,802                | -                        |
| Debt service:  |                        |                            |                      |                          |
| Principal  | -                      | -                          | -                    | -                        |
| Interest   | -                      | -                          | -                    | -                        |
| <i>Total expenditures</i>                                | <u>198,628</u>         | <u>111,163</u>             | <u>32,424</u>        | <u>52,257</u>            |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(31,320)</u>        | <u>72,223</u>              | <u>43,243</u>        | <u>31,404</u>            |
| <i>Other financing sources (uses)</i>                    |                        |                            |                      |                          |
| Proceeds from sale of assets                             | -                      | -                          | -                    | -                        |
| Transfers in   | 311                    | -                          | -                    | -                        |
| Transfers (out)  | -                      | -                          | -                    | -                        |
| <i>Total other financing sources (uses)</i>              | <u>311</u>             | <u>-</u>                   | <u>-</u>             | <u>-</u>                 |
| <i>Net change in fund balances</i>                       | (31,009)               | 72,223                     | 43,243               | 31,404                   |
| <i>Fund balances - beginning of year</i>                 | <u>123,750</u>         | <u>349,900</u>             | <u>91,293</u>        | <u>20,507</u>            |
| <i>Fund balances - end of year</i>                       | <u>\$ 92,741</u>       | <u>\$ 422,123</u>          | <u>\$ 134,536</u>    | <u>\$ 51,911</u>         |

See independent auditors' report.



Special Revenue

| <u>VFD<br/>Malaga</u> | <u>VFD<br/>Administration</u> | <u>Contributions &amp;<br/>Donations<br/>Atoka</u> | <u>Contributions &amp;<br/>Donations<br/>Cottonwood</u> | <u>Contributions &amp;<br/>Donations<br/>Happy Valley</u> | <u>Contributions &amp;<br/>Donations<br/>Joel</u> |
|-----------------------|-------------------------------|--|---|---|---|
| \$ -                  | \$ -                          | \$ -   | \$ -  | \$ -  | \$ -  |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| 91,599                | 91,599                        | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | 500   | 1   |
| <u>91,599</u>         | <u>91,599</u>                 | <u>-</u>   | <u>-</u>  | <u>500</u>  | <u>1</u>  |
| -                     | -                             | -  | -   | -   | -   |
| 32,627                | 73,284                        | 3,660  | 7,185   | 14,025  | 5,422   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| <u>32,627</u>         | <u>73,284</u>                 | <u>3,660</u>                                       | <u>7,185</u>  | <u>14,025</u>   | <u>5,422</u>                                      |
| <u>58,972</u>         | <u>18,315</u>                 | <u>(3,660)</u>                                     | <u>(7,185)</u>  | <u>(13,525)</u>   | <u>(5,421)</u>                                    |
| 4,610                 | 1,075                         | 2,500  | -   | -   | 355   |
| -                     | -                             | -  | -   | -   | -   |
| -                     | -                             | -  | -   | -   | -   |
| <u>4,610</u>          | <u>1,075</u>                  | <u>2,500</u>                                       | <u>-</u>  | <u>-</u>  | <u>355</u>  |
| 63,582                | 19,390                        | (1,160)  | (7,185)   | (13,525)  | (5,066)   |
| <u>(1,865)</u>        | <u>96</u>                     | <u>3,968</u>                                       | <u>12,251</u>   | <u>13,525</u>   | <u>27,901</u>                                     |
| <u>\$ 61,717</u>      | <u>\$ 19,486</u>              | <u>\$ 2,808</u>                                    | <u>\$ 5,066</u>   | <u>\$ -</u>   | <u>\$ 22,835</u>                                  |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2017

|  | <b>Special Revenue</b>                                 |   |   |  |
|--|--|---|---|--|
|  | <b>Contributions &amp;<br/>Donations<br/>La Huerta</b> | <b>Contributions &amp;<br/>Donations<br/>Loco Hills</b> | <b>Contributions &amp;<br/>Donations<br/>Otis</b> | <b>Contributions &amp;<br/>Donations<br/>Sun Country</b> |
| <i>Revenues</i>  |  |   |   |  |
| Taxes:   |  |   |   |  |
| Property   | \$ -   | \$ -  | \$ -  | \$ -   |
| Gross receipts   | -  | -   | -   | -  |
| Gasoline and motor vehicle                               | -  | -   | -   | -  |
| Lodgers  | -  | -   | -   | -  |
| Intergovernmental:                                       |  |   |   |  |
| Federal operating grants                                 | -  | -   | -   | -  |
| State operating grants                                   | -  | -   | -   | -  |
| State capital grants                                     | -  | -   | -   | -  |
| Local sources  | -  | -   | -   | -  |
| Charges for services                                     | -  | -   | -   | -  |
| Miscellaneous  | -  | 1,000   | 1,500   | -  |
| <b>Total revenues</b>                                    | <b>-</b>   | <b>1,000</b>  | <b>1,500</b>                                      | <b>-</b>   |
| <i>Expenditures</i>                                      |  |   |   |  |
| Current:   |  |   |   |  |
| General government                                       | -  | -   | -   | -  |
| Public safety  | -  | 7,313   | -   | 3,343  |
| Culture and recreation                                   | -  | -   | -   | -  |
| Health and welfare                                       | -  | -   | -   | -  |
| Highway and roads  | -  | -   | -   | -  |
| Capital outlay   | -  | -   | -   | -  |
| Debt service:  |  |   |   |  |
| Principal  | -  | -   | -   | -  |
| Interest   | -  | -   | -   | -  |
| <b>Total expenditures</b>                                | <b>-</b>   | <b>7,313</b>  | <b>-</b>  | <b>3,343</b>   |
| <i>Excess (deficiency) of revenues over expenditures</i> | <b>-</b>   | <b>(6,313)</b>  | <b>1,500</b>                                      | <b>(3,343)</b>   |
| <i>Other financing sources (uses)</i>                    |  |   |   |  |
| Proceeds from sale of assets                             | -  | -   | -   | -  |
| Transfers in   | -  | -   | -   | -  |
| Transfers (out)  | -  | -   | -   | -  |
| <b>Total other financing sources (uses)</b>              | <b>-</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>   |
| <b>Net change in fund balances</b>                       | <b>-</b>   | <b>(6,313)</b>  | <b>1,500</b>                                      | <b>(3,343)</b>   |
| <i>Fund balances - beginning of year</i>                 | 13,985   | 12,940  | 9,765   | 9,395  |
| <b>Fund balances - end of year</b>                       | <b>\$ 13,985</b>                                       | <b>\$ 6,627</b>   | <b>\$ 11,265</b>                                  | <b>\$ 6,052</b>  |

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**Special Revenue**

| <b>Contributions &amp; Donations Queen</b> | <b>Contributions &amp; Donations Riverside</b> | <b>Contributions &amp; Donations Malaga</b> | <b>Contributions &amp; Donations Fire Admin</b> | <b>Motor Vehicle</b> | <b>Region VI Administration</b> |
|--|--|---|---|----------------------|---------------------------------|
| \$ -                                       | \$ -   | \$ -  | \$ -  | \$ -                 | \$ -                            |
| -  | -  | -   | -   | -                    | -                               |
| -  | -  | -   | -   | -                    | -                               |
| -  | -  | -   | -   | -                    | -                               |
| -  | -  | -   | -   | -                    | 127,003                         |
| -  | -  | -   | -   | 92,418               | -                               |
| -  | -  | -   | -   | -                    | -                               |
| -  | -  | -   | -   | -                    | -                               |
| -  | -  | -   | -   | 103,271              | -                               |
| -  | 950  | 2,250                                       | 200,000   | 82                   | 17                              |
| -  | 950  | 2,250                                       | 200,000   | 195,771              | 127,020                         |
| -  | -  | -   | -   | 298,851              | -                               |
| -  | 4,102  | -   | 16,840  | -                    | 107,443                         |
| -  | -  | -   | -   | -                    | -                               |
| -  | -  | -   | -   | -                    | -                               |
| 9,977                                      | -  | -   | -   | -                    | -                               |
| -  | -  | -   | -   | -                    | -                               |
| -  | -  | -   | -   | -                    | -                               |
| 9,977                                      | 4,102  | -   | 16,840  | 298,851              | 107,443                         |
| (9,977)                                    | (3,152)  | 2,250                                       | 183,160   | (103,080)            | 19,577                          |
| -  | 1,035  | -   | -   | -                    | -                               |
| -  | -  | -   | -   | 150,000              | 25,221                          |
| -  | -  | -   | -   | -                    | (27,262)                        |
| -  | 1,035  | -   | -   | 150,000              | (2,041)                         |
| (9,977)                                    | (2,117)  | 2,250                                       | 183,160   | 46,920               | 17,536                          |
| 9,977                                      | 4,000  | 11,989                                      | 86,525  | 235,939              | 8,280                           |
| \$ -                                       | \$ 1,883                                       | \$ 14,239                                   | \$ 269,685                                      | \$ 282,859           | \$ 25,816                       |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2017

|  | <u>Special Revenue</u> |                             | <u>Capital Fund</u>              |                                 |
|--|------------------------|-----------------------------|----------------------------------|---------------------------------|
|  | <u>HIDTA</u>           | <u>Detention<br/>Center</u> | <u>Building<br/>Construction</u> | <u>Legislative<br/>Projects</u> |
| <i>Revenues</i>  |                        |                             |                                  |                                 |
| Taxes:   |                        |                             |                                  |                                 |
| Property   | \$ -                   | \$ -                        | \$ -                             | \$ -                            |
| Gross receipts   | -                      | -                           | -                                | -                               |
| Gasoline and motor vehicle                               | -                      | -                           | -                                | -                               |
| Lodgers  | -                      | -                           | -                                | -                               |
| Intergovernmental:                                       |                        |                             |                                  |                                 |
| Federal operating grants                                 | 458,983                | -                           | -                                | -                               |
| State operating grants                                   | -                      | -                           | -                                | -                               |
| State capital grants                                     | -                      | -                           | -                                | 35,000                          |
| Local sources  | -                      | -                           | -                                | -                               |
| Charges for services                                     | -                      | -                           | -                                | -                               |
| Miscellaneous  | 4                      | 200,401                     | 95                               | -                               |
| <i>Total revenues</i>                                    | <u>458,987</u>         | <u>200,401</u>              | <u>95</u>                        | <u>35,000</u>                   |
| <i>Expenditures</i>                                      |                        |                             |                                  |                                 |
| Current:   |                        |                             |                                  |                                 |
| General government                                       | -                      | -                           | -                                | -                               |
| Public safety  | 493,974                | 170,069                     | -                                | -                               |
| Culture and recreation                                   | -                      | -                           | -                                | -                               |
| Health and welfare                                       | -                      | -                           | -                                | -                               |
| Highway and roads  | -                      | -                           | -                                | -                               |
| Capital outlay   | 21,538                 | -                           | 196,808                          | 35,000                          |
| Debt service:  |                        |                             |                                  |                                 |
| Principal  | -                      | -                           | -                                | -                               |
| Interest   | -                      | -                           | -                                | -                               |
| <i>Total expenditures</i>                                | <u>515,512</u>         | <u>170,069</u>              | <u>196,808</u>                   | <u>35,000</u>                   |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(56,525)</u>        | <u>30,332</u>               | <u>(196,713)</u>                 | <u>-</u>                        |
| <i>Other financing sources (uses)</i>                    |                        |                             |                                  |                                 |
| Proceeds from sale of assets                             | -                      | -                           | -                                | -                               |
| Transfers in   | 111,694                | -                           | -                                | 2,000                           |
| Transfers (out)  | -                      | -                           | (15,973)                         | (25,270)                        |
| <i>Total other financing sources (uses)</i>              | <u>111,694</u>         | <u>-</u>                    | <u>(15,973)</u>                  | <u>(23,270)</u>                 |
| <i>Net change in fund balances</i>                       | 55,169                 | 30,332                      | (212,686)                        | (23,270)                        |
| <i>Fund balances - beginning of year</i>                 | <u>203,712</u>         | <u>-</u>                    | <u>4,391,460</u>                 | <u>65,000</u>                   |
| <i>Fund balances - end of year</i>                       | <u>\$ 258,881</u>      | <u>\$ 30,332</u>            | <u>\$ 4,178,774</u>              | <u>\$ 41,730</u>                |

See independent auditors' report.

| <u>Capital Projects</u> |                             |                             |
|-------------------------|-----------------------------|-----------------------------|
| <u>Land Acquisition</u> | <u>Capital Improvements</u> | <u>Total Nonmajor Funds</u> |
| \$ -                    | \$ -                        | \$ 462,121                  |
| -                       | -                           | 9,864,396                   |
| -                       | -                           | 1,452,318                   |
| -                       | -                           | 78,265                      |
| -                       | -                           | 1,078,948                   |
| -                       | -                           | 2,834,968                   |
| -                       | -                           | 35,000                      |
| -                       | -                           | 1,051,062                   |
| -                       | -                           | 1,113,183                   |
| -                       | -                           | 1,500,678                   |
| -                       | -                           | <u>19,470,939</u>           |
| -                       | -                           | 1,179,899                   |
| -                       | -                           | 3,684,600                   |
| -                       | -                           | 5,578                       |
| -                       | -                           | 8,030,995                   |
| -                       | -                           | 5,593,161                   |
| -                       | -                           | 5,674,431                   |
| -                       | -                           | 547,066                     |
| -                       | -                           | <u>101,583</u>              |
| -                       | -                           | <u>24,817,313</u>           |
| -                       | -                           | <u>(5,346,374)</u>          |
| -                       | -                           | 49,653                      |
| -                       | -                           | 8,352,239                   |
| -                       | <u>(1,800,000)</u>          | <u>(1,930,062)</u>          |
| -                       | <u>(1,800,000)</u>          | <u>6,471,830</u>            |
| -                       | (1,800,000)                 | 1,125,456                   |
| <u>20,000</u>           | <u>2,045,948</u>            | <u>38,406,258</u>           |
| <u>\$ 20,000</u>        | <u>\$ 245,948</u>           | <u>\$ 39,531,714</u>        |

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## **SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
Eddy County  
Schedule of Collateral Pledged by Depository For Public Funds  
June 30, 2017

| <u>Name of Depository</u>          | <u>Description of Pledged Collateral</u> | <u>Maturity</u> | <u>CUSIP Number</u> | <u>Fair Market Value June 30, 2017</u> |
|------------------------------------|--|-----------------|---------------------|--|
| <b>Artesia National Bank</b>       |  |                 |                     |  |
|                                    | FHLMC Pool #J13919                       | 12/1/2020       | 3128PTK87           | \$ 265,193                             |
|                                    | FNMA Pool #AH7535                        | 3/1/2026        | 3138A9LR3           | 759,906                                |
|                                    | GNMA II Pool #MA0825                     | 3/20/2028       | 36179M4J6           | 549,943                                |
|                                    | FNMA Pool #MA0616                        | 1/1/2031        | 31417YVJ3           | 118,642                                |
|                                    | FHLMC Pool #C91362                       | 3/1/2031        | 3128P7QP1           | 1,419,854                              |
|                                    | FHLMC Pool #781910                       | 9/1/2034        | 31349TDP3           | 72,786                                 |
|                                    | New Mexico Fin Auth Rev                  | 6/1/2025        | 64711NGN9           | 555,786                                |
| <b>Total Artesia National Bank</b> |  |                 |                     | <b>3,742,110</b>                       |

Name and location of safekeeper for above pledged collateral:  
Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063

|                                     |                  |            |           |                   |
|-------------------------------------|------------------|------------|-----------|-------------------|
| <b>Carlsbad National Bank</b>       |                  |            |           |                   |
|                                     | FHLB Callable    | 5/25/2022  | 3130AA4X3 | \$ 1,985,834      |
|                                     | FHLB Callable    | 11/28/2022 | 3130AA5Z7 | 1,982,550         |
|                                     | FNMA POOL#MA2579 | 4/1/2036   | 31418B2M7 | 1,718,226         |
|                                     | FNR 2014-1 JA    | 6/25/2039  | 3136AJAZ9 | 748,552           |
|                                     | GNR 2012-136 CE  | 2/20/2041  | 38377X1V1 | 1,063,890         |
|                                     | FNR 2012-63 HB   | 8/25/2041  | 3136A6TP9 | 774,751           |
|                                     | FNR 2012 147 NE  | 8/25/2041  | 3136ABDA8 | 1,595,214         |
|                                     | FHR 4165-TA      | 12/15/2044 | 3137AYSF9 | 1,697,406         |
|                                     | FHR 4493.PA      | 2/15/2044  | 3137BKLL2 | 1,653,185         |
|                                     | FNR 2014-88 DA   | 7/25/2044  | 3136AMBM0 | 1,257,970         |
| <b>Total Carlsbad National Bank</b> |                  |            |           | <b>14,477,578</b> |

Name and location of safekeeper for above pledged collateral:  
Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063

See independent auditors' report.



| <u>Name of Depository</u> | <u>Description of Pledged Collateral</u> | <u>Maturity</u> | <u>CUSIP Number</u> | <u>Fair Market Value June 30, 2017</u> |
|---------------------------|--|-----------------|---------------------|--|
| <b>Pioneer Bank</b>       |  |                 |                     |  |
|                           | FHLB CALLABLE                            | 5/25/2023       | 217007919           | \$ 4,946,985                           |
|                           | FHLB CALL AFTER 9/27/16                  | 6/27/2024       | 217008052           | 1,447,567                              |
|                           | FHLB CALL AFTER 1/12/16                  | 11/28/2022      | 212005991           | 1,000,000                              |
|                           | FHLMC ARM 781721                         | 7/1/2034        | 218001959           | 394,194                                |
|                           | FHLMC ARM 782847                         | 11/1/2034       | 31349UEU8           | 430,213                                |
|                           | FNMA #AJ1622                             | 10/1/2026       | 217006291           | 300,239                                |
|                           | FNMA #661745 ARM                         | 9/1/2032        | 31391BES2           | 57,053                                 |
|                           | FNMA #780385 ARM                         | 6/1/2034        | 218001955           | 200,813                                |
|                           | FNMA #805152 ARM                         | 1/1/2035        | 218001965           | 234,042                                |
|                           | FNMA #845529 ARM                         | 12/1/2035       | 218001968           | 100,320                                |
|                           | GNMA II #80477 ARM                       | 12/20/2030      | 217006238           | 101,750                                |
|                           | GNMA II #80540 ARM                       | 9/20/2031       | 217006239           | 75,834                                 |
|                           | GNMA II #80540 ARM                       | 9/20/2031       | 217006240           | 116,905                                |
|                           | <b>Total Pioneer Bank</b>                |                 |                     | <u>9,405,915</u>                       |

Name and location of safekeeper for above pledged collateral:  
Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063

|                         |                                 |          |           |                   |
|-------------------------|---------------------------------|----------|-----------|-------------------|
| <b>Wells Fargo Bank</b> |                                 |          |           |                   |
|                         | FMAC FGPC                       | 3/1/2042 | 3132GRZP9 | \$ 244,455        |
|                         | FNMA FNMS                       | 4/1/2031 | 3140EY2Y6 | 17,325,442        |
|                         | FNMA FNMS                       | 5/1/2031 | 3140F2P53 | 9,487             |
|                         | <b>Total First Savings Bank</b> |          |           | <u>17,579,384</u> |

Name and location of safekeeper for above pledged collateral:  
Federal Reserve Bank, San Francisco, CA

|                             |                                   |            |           |                  |
|-----------------------------|-----------------------------------|------------|-----------|------------------|
| <b>Western Bank Artesia</b> |                                   |            |           |                  |
|                             | FHLCM                             | 10/15/2041 | 3137AQQD4 | \$ 506,935       |
|                             | FHLB                              | 3/18/2021  | 313372VV3 | 2,040,288        |
|                             | <b>Total Western Bank Artesia</b> |            |           | <u>2,547,223</u> |

Name and location of safekeeper for above pledged collateral:  
Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063

See independent auditors' report.

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**STATE OF NEW MEXICO**  
Eddy County  
Schedule of Collateral Pledged by Depository For Public Funds  
June 30, 2017

Schedule III  
Page 2 of 2

| <u>Name of Depository</u>  | <u>Description of Pledged Collateral</u> | <u>Maturity</u> | <u>CUSIP Number</u> | <u>Fair Market Value<br/>June 30, 2017</u> |
|--|--|-----------------|---------------------|--|
| <b>Western Commerce Bank</b>   |  |                 |                     |  |
|  | GNMA #2716M                              | 2/20/2029       | 36202DAR2           | \$ 7,728                                   |
|  | GNMA #375005                             | 12/15/2023      | 36204NR25           | 23,450                                     |
|  | GNMA #780656                             | 10/15/2027      | 36225AWR7           | 12,255                                     |
|  | GNMA #2701                               | 1/20/2029       | 36202DAA9           | 29,767                                     |
|  | GNMA #8850                               | 4/20/2026       | 36202KZP3           | 23,432                                     |
|  | GNMA #80635                              | 9/20/2032       | 36225CV52           | 31,445                                     |
|  | GNMA #80507                              | 4/20/2031       | 36225CR57           | 44,744                                     |
|  | GNMA #8634                               | 5/20/2025       | 36202KSX4           | 26,645                                     |
|  | GNMA #3215                               | 3/20/2032       | 36202DSC6           | 32,583                                     |
|  | GNMA #80664                              | 1/20/2033       | 36225CW28           | 38,853                                     |
|  | GNMA #80628                              | 8/20/2032       | 36225CVW3           | 38,126                                     |
|  | GNMA #780615                             | 8/15/2027       | 36225AVG2           | 12,373                                     |
|  | GNMA #004467                             | 6/20/2039       | 36202E6C8           | 304,109                                    |
|  | GNMA #004445                             | 3/20/2040       | 36202E5E5           | 428,730                                    |
|  | GNMA #004656                             | 3/20/2040       | 36202FE51           | 425,262                                    |
|  | FNMA #932122                             | 5/1/2035        | 31412QSK6           | 183,549                                    |
|  | GNMA #004518                             | 8/20/2039       | 36202FAT3           | 570,047                                    |
|  | FNMA #AC1578                             | 8/1/2039        | 31417KXG7           | 612,177                                    |
|  | FNMA #MA0582                             | 11/1/2030       | 31417YUG0           | 420,647                                    |
|  | FNMA #890255                             | 7/1/2039        | 31410LBY7           | 648,629                                    |
|  | SBAP SERIES 2011-201                     | 9/1/2031        | 83162CUG6           | 873,633                                    |
|  | GNMA #80507                              | 4/20/2031       | 36225CR57           | 9,553                                      |
|  | FNMA #MA1491                             | 7/1/2043        | 31418AUR7           | 931,631                                    |
|  | FNMA #AS0484                             | 9/1/2028        | 3138W9RE2           | 681,674                                    |
|  | SBAP SERIES 2010-20C                     | 3/1/2030        | 83162CTD5           | 900,335                                    |
|  | GNMA #004597                             | 12/20/2039      | 36202FDA1           | 279,539                                    |
|  | <b>Total Western Commerce Bank</b>       |                 |                     | <u>7,590,916</u>                           |
| Name and location of safekeeper for above pledged collateral:<br>Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063 |  |                 |                     |  |
|  | <b>Total Pledged Collateral</b>          |                 |                     | <u>\$ 55,343,126</u>                       |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Schedule of Deposit and Investment Accounts  
June 30, 2017

| <u>Bank Account Type/Name</u>           | <u>Artesia<br/>National<br/>Bank</u> | <u>Carlsbad<br/>National<br/>Bank</u> | <u>Financial<br/>Security<br/>Credit Union</u> | <u>Moreton<br/>Capital<br/>Markets</u> |
|---|--------------------------------------|---------------------------------------|--|--|
| Operational - Checking Account          | \$ 713,214                           | \$ 11,369,465                         | \$ -   | \$ -                                   |
| Wire - Checking Account                 | -                                    | 202                                   | -  | -                                      |
| Money Management Account                | 5,836,795                            | 9,436,869                             | -  | -                                      |
| Eddy County Detention Center - Checking | -                                    | 30,332                                | -  | -                                      |
| Restitution - Checking Account          | -                                    | 1,478                                 | -  | -                                      |
| Savings Account                         | -                                    | -                                     | -  | -                                      |
| Purchasing Card - Checking Account      | -                                    | -                                     | -  | -                                      |
| FEMA - Checking Account                 | -                                    | -                                     | -  | -                                      |
| MVD - Checking Account                  | -                                    | -                                     | -  | -                                      |
| Certificates of Deposit                 | -                                    | -                                     | 250,000  | 16,667,584                             |
| <i>Total</i>                            | 6,550,009                            | 20,838,346                            | 250,000  | 16,667,584                             |
| Reconciling items                       | 5,444                                | (4,206,765)                           | -  | -                                      |
| <i>Reconciled balance</i>               | <u>\$ 6,555,453</u>                  | <u>\$ 16,631,581</u>                  | <u>\$ 250,000</u>                              | <u>\$ 16,667,584</u>                   |

See independent auditors' report.

| <b>Pioneer<br/>Bank</b>                                      | <b>Wells Fargo<br/>Bank</b> | <b>Western Bank<br/>Artesia</b> | <b>Western<br/>Commerce<br/>Bank</b> | <b>Totals</b>        |
|--|-----------------------------|---------------------------------|--------------------------------------|----------------------|
| \$ -   | \$ -                        | \$ -                            | \$ -                                 | \$ 12,082,679        |
| -  | -                           | -                               | -                                    | 202                  |
| 9,353,958  | -                           | -                               | -                                    | 24,627,622           |
| -  | -                           | -                               | -                                    | 30,332               |
| -  | -                           | -                               | -                                    | 1,478                |
| -  | 4,242,467                   | -                               | -                                    | 4,242,467            |
| -  | 5,500                       | -                               | -                                    | 5,500                |
| -  | 12,980,742                  | -                               | -                                    | 12,980,742           |
| -  | 3,291                       | -                               | -                                    | 3,291                |
| -  | -                           | 3,000,000                       | 14,000,000                           | 33,917,584           |
| 9,353,958  | 17,232,000                  | 3,000,000                       | 14,000,000                           | 87,891,897           |
| -  | (3,292)                     | -                               | -                                    | (4,204,613)          |
| <u>\$ 9,353,958</u>  | <u>\$ 17,228,708</u>        | <u>\$ 3,000,000</u>             | <u>\$ 14,000,000</u>                 | 83,687,284           |
| Plus: petty cash   |                             |                                 |                                      | 1,648                |
| Less: Investments per Exhibit A-1                            |                             |                                 |                                      | (16,667,584)         |
| Less: agency funds cash and cash equivalents per Exhibit E-1 |                             |                                 |                                      | (3,418,432)          |
| <i>Cash and cash equivalents per Exhibit A-1</i>             |                             |                                 |                                      | <u>\$ 63,602,916</u> |

See independent auditors' report.

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**STATE OF NEW MEXICO**  
Eddy County  
Agency Fund Descriptions  
June 30, 2017

**AGENCY FUNDS**

**Sheriff – Special (7000)** – This is a Confiscation and Seizure Fund to account for Eddy County Sheriff's Department Confiscation and seizure funds obtained through law enforcement activities. Authority for creation of this fund is contained in Resolution R-63.

**Restitution Fund (7205)** - To account for court ordered restitution funds that are paid by defendants as part of their judgment and sentence/probation requirements to be used for the operation of the task force and/or in the furtherance of investigation into narcotics law violators.

**Artesia Eagle Draw (7500)** – To account for taxes levied and collected to construct and maintain dikes, dams, embankments, ditches, or such other structures or excavations necessary to prevent flood waters from damaging property or endangering human life. Authority for creation of this fund is contained in agreement A-96-29.

**Protest Suspense Fund (7600)** – This fund is used to account for any tax payments received under protest. This money is invested in a segregated account and will be disbursed upon resolution of the protest, either as a refund to the taxpayer, or to the general fund as tax revenue.

**Property Tax Distribution (7900)** – To account for Eddy County property tax distribution accounts within the county.

**STATE OF NEW MEXICO**  
 Eddy County  
 Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds  
 June 30, 2017

|                                 | <u>Balance<br/>July 1, 2016</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance<br/>June 30, 2017</u> |
|---------------------------------|---------------------------------|------------------|-------------------|----------------------------------|
| <b>Sheriff- Special - 7000</b>  |                                 |                  |                   |                                  |
| <b>Assets</b>                   |                                 |                  |                   |                                  |
| Cash and cash equivalents       | \$ 66,241                       | \$ -             | \$ -              | \$ 66,241                        |
| <i>Total assets</i>             | <u>\$ 66,241</u>                | <u>\$ -</u>      | <u>\$ -</u>       | <u>\$ 66,241</u>                 |
| <b>Liabilities</b>              |                                 |                  |                   |                                  |
| Deposits held in trust          | \$ 66,241                       | \$ -             | \$ -              | \$ 66,241                        |
| <i>Total liabilities</i>        | <u>\$ 66,241</u>                | <u>\$ -</u>      | <u>\$ -</u>       | <u>\$ 66,241</u>                 |
| <b>Restitution Fund - 7205</b>  |                                 |                  |                   |                                  |
| <b>Assets</b>                   |                                 |                  |                   |                                  |
| Cash and cash equivalents       | \$ 1,099                        | \$ 379           | \$ -              | \$ 1,478                         |
| <i>Total assets</i>             | <u>\$ 1,099</u>                 | <u>\$ 379</u>    | <u>\$ -</u>       | <u>\$ 1,478</u>                  |
| <b>Liabilities</b>              |                                 |                  |                   |                                  |
| Deposits held in trust          | \$ 1,099                        | \$ 379           | \$ -              | \$ 1,478                         |
| <i>Total liabilities</i>        | <u>\$ 1,099</u>                 | <u>\$ 379</u>    | <u>\$ -</u>       | <u>\$ 1,478</u>                  |
| <b>Artesia Eagle Draw- 7500</b> |                                 |                  |                   |                                  |
| <b>Assets</b>                   |                                 |                  |                   |                                  |
| Cash and cash equivalents       | \$ 519,370                      | \$ 53,430        | \$ 10,984         | \$ 561,816                       |
| <i>Total assets</i>             | <u>\$ 519,370</u>               | <u>\$ 53,430</u> | <u>\$ 10,984</u>  | <u>\$ 561,816</u>                |
| <b>Liabilities</b>              |                                 |                  |                   |                                  |
| Deposits held in trust          | \$ 519,370                      | \$ 53,430        | \$ 10,984         | \$ 561,816                       |
| <i>Total liabilities</i>        | <u>\$ 519,370</u>               | <u>\$ 53,430</u> | <u>\$ 10,984</u>  | <u>\$ 561,816</u>                |

See independent auditors' report.



**STATE OF NEW MEXICO**  
 Eddy County  
 Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds  
 June 30, 2017

|                                    | <u>Balance</u><br><u>July 1, 2016</u> | <u>Additions</u>     | <u>Deductions</u>    | <u>Balance</u><br><u>June 30, 2017</u> |
|------------------------------------|---------------------------------------|----------------------|----------------------|--|
| <b>Protest Suspense Fund- 7600</b> |                                       |                      |                      |  |
| <b>Assets</b>                      |                                       |                      |                      |  |
| Cash and cash equivalents          | \$ 2,938,913                          | \$ -                 | \$ 2,938,913         | \$ -                                   |
| <i>Total assets</i>                | <u>\$ 2,938,913</u>                   | <u>\$ -</u>          | <u>\$ 2,938,913</u>  | <u>\$ -</u>                            |
| <b>Liabilities</b>                 |                                       |                      |                      |  |
| Deposits held in trust             | \$ 2,938,913                          | \$ -                 | \$ 2,938,913         | \$ -                                   |
| <i>Total liabilities</i>           | <u>\$ 2,938,913</u>                   | <u>\$ -</u>          | <u>\$ 2,938,913</u>  | <u>\$ -</u>                            |
| <b>Tax Levies- 7900</b>            |                                       |                      |                      |  |
| <b>Assets</b>                      |                                       |                      |                      |  |
| Cash and cash equivalents          | \$ 1,741,353                          | \$ 11,607,448        | \$ 10,559,904        | \$ 2,788,897                           |
| Property taxes receivable          | 2,800,160                             | 35,368,516           | 36,515,298           | 1,653,378                              |
| <i>Total assets</i>                | <u>\$ 4,541,513</u>                   | <u>\$ 46,975,964</u> | <u>\$ 47,075,202</u> | <u>\$ 4,442,275</u>                    |
| <b>Liabilities</b>                 |                                       |                      |                      |  |
| Deposits held in trust             | \$ 1,741,353                          | \$ 11,607,448        | \$ 10,559,904        | \$ 2,788,897                           |
| Due to other taxing entities       | 2,800,160                             | 35,368,516           | 36,515,298           | 1,653,378                              |
| <i>Total liabilities</i>           | <u>\$ 4,541,513</u>                   | <u>\$ 46,975,964</u> | <u>\$ 47,075,202</u> | <u>\$ 4,442,275</u>                    |
| <b>Total Agency Funds</b>          |                                       |                      |                      |  |
| <b>Assets</b>                      |                                       |                      |                      |  |
| Cash and cash equivalents          | \$ 5,266,976                          | \$ 11,661,257        | \$ 13,509,801        | \$ 3,418,432                           |
| Property taxes receivable          | 2,800,160                             | 35,368,516           | 36,515,298           | 1,653,378                              |
| <i>Total assets</i>                | <u>\$ 8,067,136</u>                   | <u>\$ 47,029,773</u> | <u>\$ 50,025,099</u> | <u>\$ 5,071,810</u>                    |
| <b>Liabilities</b>                 |                                       |                      |                      |  |
| Deposits held in trust             | \$ 5,266,976                          | \$ 11,661,257        | \$ 13,509,801        | \$ 3,418,432                           |
| Due to other taxing entities       | 2,800,160                             | 35,368,516           | 36,515,298           | 1,653,378                              |
| <i>Total liabilities</i>           | <u>\$ 8,067,136</u>                   | <u>\$ 47,029,773</u> | <u>\$ 50,025,099</u> | <u>\$ 5,071,810</u>                    |

See independent auditors' report.

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**STATE OF NEW MEXICO**  
Eddy County  
Reconciliation of Property Tax Rolls  
For the Year Ended June 30, 2017

Schedule VI

|  |    |                         |
|--|----|-------------------------|
| Property taxes receivable - beginning of year                              | \$ | 4,286,026               |
| Changes to tax roll:   |    |                         |
| Net tax charges to treasurer for fiscal year                               |    | 49,675,486              |
| Adjustments:   |    |                         |
| Net decrease in taxes receivable   |    | <u>(2,492,478)</u>      |
| Total receivable prior to collections                                      |    | 51,469,034              |
| Collections for fiscal year ended June 30, 2017                            |    | <u>(49,202,152)</u>     |
| Taxes to be collected  |    | <u>2,266,882</u>        |
| <i>Property taxes receivable - end of year</i>                             | \$ | <u><u>2,266,882</u></u> |
| Property taxes receivable are reported as follows:                         |    |                         |
| Statement of Net Position - Exhibit A-1                                    | \$ | 613,504                 |
| Statement of Fiduciary Assets and Liabilities - Agency Funds - Exhibit D-1 |    | <u>1,653,378</u>        |
| <i>Total property taxes receivable</i>                                     | \$ | <u><u>2,266,882</u></u> |
| Property taxes receivable by year:   |    |                         |
| 2007   | \$ | 33,505                  |
| 2008   |    | 25,029                  |
| 2009   |    | 22,542                  |
| 2010   |    | 32,964                  |
| 2011   |    | 22,890                  |
| 2012   |    | 37,762                  |
| 2013   |    | 40,241                  |
| 2014   |    | 48,328                  |
| 2015   |    | 336,866                 |
| 2016   |    | <u>1,666,755</u>        |
| Total taxes receivable   |    | <u>2,266,882</u>        |
| <i>Total property taxes receivable</i>                                     | \$ | <u><u>2,266,882</u></u> |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Eddy County Treasurer Property Tax Schedule  
For the Year Ended June 30, 2017

| Agency                                   | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date |
|--|-----------------------------|---------------------------------|----------------------|
| <b>ART_EAGLE_DRAW ARTESIA EAGLE DRAW</b> |                             |                                 |                      |
| 2007                                     | \$ 304,169                  | \$ -                            | \$ 304,169           |
| 2008                                     | 55,164                      | -                               | 55,164               |
| 2009                                     | 64,493                      | -                               | 64,493               |
| 2010                                     | 79,802                      | -                               | 79,802               |
| 2011                                     | 50,331                      | -                               | 50,331               |
| 2012                                     | 52,055                      | 2                               | 52,052               |
| 2013                                     | 53,041                      | 7                               | 53,029               |
| 2014                                     | 53,611                      | 285                             | 53,564               |
| 2015                                     | 54,351                      | 685                             | 54,013               |
| 2016                                     | 54,052                      | 52,836                          | 52,836               |
| <b>Total</b>                             | <b>\$ 821,069</b>           | <b>\$ 53,815</b>                | <b>\$ 819,453</b>    |
| <b>BISON</b>                             |                             |                                 |                      |
| 2007                                     | \$ -                        | \$ -                            | \$ -                 |
| 2008                                     | -                           | -                               | -                    |
| 2009                                     | -                           | -                               | -                    |
| 2010                                     | -                           | -                               | -                    |
| 2011                                     | 33                          | -                               | 32                   |
| 2012                                     | 32                          | -                               | 32                   |
| 2013                                     | 3                           | -                               | 4                    |
| 2014                                     | 1                           | -                               | 1                    |
| 2015                                     | -                           | -                               | -                    |
| 2016                                     | -                           | -                               | -                    |
| <b>Total</b>                             | <b>\$ 69</b>                | <b>\$ -</b>                     | <b>\$ 69</b>         |
| <b>CARLSBAD_SWCD CARLSBAD_SWCD</b>       |                             |                                 |                      |
| 2007                                     | \$ 245,653                  | \$ -                            | \$ 245,654           |
| 2008                                     | 251,115                     | -                               | 251,115              |
| 2009                                     | 264,047                     | -                               | 264,047              |
| 2010                                     | 278,945                     | -                               | 278,937              |
| 2011                                     | 294,807                     | -                               | 294,797              |
| 2012                                     | 309,701                     | 7                               | 309,683              |
| 2013                                     | 332,591                     | 40                              | 332,446              |
| 2014                                     | 352,747                     | 4,379                           | 352,241              |
| 2015                                     | 381,185                     | 10,046                          | 374,457              |
| 2016                                     | 405,166                     | 376,811                         | 376,811              |
| <b>Total</b>                             | <b>\$ 3,115,957</b>         | <b>\$ 391,283</b>               | <b>\$ 3,080,188</b>  |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment  | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|-------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 304,169             | \$ -        | \$ -                               | \$ -                                |
| -                                 | 55,164                 | -           | -                                  | -                                   |
| -                                 | 64,493                 | -           | -                                  | -                                   |
| -                                 | 79,802                 | -           | -                                  | -                                   |
| -                                 | 50,331                 | -           | -                                  | -                                   |
| 2                                 | 52,052                 | -           | -                                  | 3                                   |
| 6                                 | 53,026                 | -           | -                                  | 11                                  |
| 173                               | 53,446                 | -           | -                                  | 48                                  |
| 635                               | 53,914                 | -           | -                                  | 338                                 |
| 52,241                            | 51,828                 | -           | -                                  | 1,216                               |
| <b>\$ 53,057</b>                  | <b>\$ 818,225</b>      | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 1,616</b>                     |
| \$ -                              | \$ -                   | \$ -        | \$ -                               | \$ -                                |
| -                                 | -                      | -           | -                                  | -                                   |
| -                                 | -                      | -           | -                                  | -                                   |
| -                                 | -                      | -           | -                                  | -                                   |
| -                                 | 32                     | -           | -                                  | -                                   |
| -                                 | 32                     | -           | -                                  | -                                   |
| -                                 | 4                      | -           | -                                  | -                                   |
| -                                 | 1                      | -           | -                                  | -                                   |
| -                                 | -                      | -           | -                                  | -                                   |
| -                                 | -                      | -           | -                                  | -                                   |
| <b>\$ -</b>                       | <b>\$ 69</b>           | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ -</b>                         |
| \$ -                              | \$ 245,653             | \$ -        | \$ -                               | \$ -                                |
| -                                 | 251,115                | -           | -                                  | -                                   |
| -                                 | 264,047                | -           | -                                  | -                                   |
| -                                 | 278,937                | -           | -                                  | 8                                   |
| -                                 | 294,797                | -           | -                                  | 10                                  |
| 7                                 | 309,683                | -           | -                                  | 18                                  |
| 40                                | 332,375                | -           | -                                  | 145                                 |
| 2,325                             | 349,917                | -           | -                                  | 506                                 |
| 9,472                             | 372,791                | -           | -                                  | 6,729                               |
| 367,988                           | 355,353                | -           | -                                  | 28,354                              |
| <b>\$ 379,832</b>                 | <b>\$ 3,054,668</b>    | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 35,770</b>                    |

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

| Agency                                  | Property Taxes Levied | Collected In Current Year | Collected To Date |
|---|-----------------------|---------------------------|-------------------|
| <b>CATTLE</b>                           |                       |                           |                   |
| 2007                                    | \$ 38,945             | \$ -                      | \$ 38,945         |
| 2008                                    | 36,802                | -                         | 36,802            |
| 2009                                    | 37,208                | -                         | 37,207            |
| 2010                                    | 31,989                | -                         | 31,989            |
| 2011                                    | 36,366                | -                         | 36,366            |
| 2012                                    | 39,074                | -                         | 39,074            |
| 2013                                    | 43,800                | -                         | 43,800            |
| 2014                                    | 45,087                | -                         | 45,085            |
| 2015                                    | 54,317                | 705                       | 54,314            |
| 2016                                    | 57,725                | 57,135                    | 57,135            |
| <b>Total</b>                            | <b>\$ 421,313</b>     | <b>\$ 57,840</b>          | <b>\$ 420,717</b> |
| <b>CEN_VAL_SWCD CENTRAL VALLEY SWCD</b> |                       |                           |                   |
| 2007                                    | \$ 30,066             | \$ -                      | \$ 30,064         |
| 2008                                    | 33,277                | -                         | 33,276            |
| 2009                                    | 35,958                | -                         | 35,957            |
| 2010                                    | 38,705                | -                         | 38,704            |
| 2011                                    | 41,093                | -                         | 41,091            |
| 2012                                    | 45,683                | 1                         | 45,681            |
| 2013                                    | 50,008                | 23                        | 49,987            |
| 2014                                    | 106,961               | 792                       | 106,872           |
| 2015                                    | 59,493                | 1,297                     | 59,024            |
| 2016                                    | 62,574                | 59,768                    | 59,768            |
| <b>Total</b>                            | <b>\$ 503,818</b>     | <b>\$ 61,881</b>          | <b>\$ 500,424</b> |
| <b>COTTONWOOD WALNUT CREEK</b>          |                       |                           |                   |
| 2007                                    | \$ 56,526             | \$ -                      | \$ 56,526         |
| 2008                                    | 61,330                | -                         | 61,330            |
| 2009                                    | 69,330                | -                         | 69,330            |
| 2010                                    | 72,043                | -                         | 72,043            |
| 2011                                    | 77,659                | -                         | 77,659            |
| 2012                                    | 81,364                | -                         | 81,364            |
| 2013                                    | 84,722                | 6                         | 84,602            |
| 2014                                    | 94,401                | 685                       | 94,252            |
| 2015                                    | 99,904                | 2,105                     | 98,935            |
| 2016                                    | 100,570               | 94,615                    | 94,615            |
| <b>Total</b>                            | <b>\$ 797,849</b>     | <b>\$ 97,411</b>          | <b>\$ 790,656</b> |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment   | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|--------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 38,945              | \$ -         | \$ -                               | \$ -                                |
| -                                 | 36,802                 | -            | -                                  | -                                   |
| -                                 | 37,207                 | -            | -                                  | -                                   |
| -                                 | 31,989                 | -            | -                                  | -                                   |
| -                                 | 36,366                 | -            | -                                  | -                                   |
| -                                 | 39,074                 | -            | -                                  | -                                   |
| -                                 | 43,800                 | -            | -                                  | -                                   |
| -                                 | 45,085                 | -            | -                                  | 2                                   |
| 705                               | 54,314                 | -            | -                                  | 3                                   |
| 55,491                            | 55,021                 | -            | 1                                  | 590                                 |
| <b>\$ 56,196</b>                  | <b>\$ 418,603</b>      | <b>\$ -</b>  | <b>\$ 1</b>                        | <b>\$ 595</b>                       |
| \$ -                              | \$ 30,064              | \$ -         | \$ -                               | \$ 2                                |
| -                                 | 33,276                 | -            | -                                  | 2                                   |
| -                                 | 35,957                 | -            | -                                  | 2                                   |
| -                                 | 38,704                 | -            | -                                  | 2                                   |
| -                                 | 41,091                 | -            | -                                  | 1                                   |
| 1                                 | 45,681                 | -            | -                                  | 1                                   |
| 22                                | 49,985                 | 9            | 9                                  | 12                                  |
| 617                               | 106,693                | 15           | 15                                 | 74                                  |
| 1,240                             | 58,920                 | -            | -                                  | 468                                 |
| 58,806                            | 57,863                 | 18           | 18                                 | 2,788                               |
| <b>\$ 60,686</b>                  | <b>\$ 498,234</b>      | <b>\$ 42</b> | <b>\$ 42</b>                       | <b>\$ 3,352</b>                     |
| \$ -                              | \$ 56,526              | \$ -         | \$ -                               | \$ -                                |
| -                                 | 61,330                 | -            | -                                  | -                                   |
| -                                 | 69,330                 | -            | -                                  | -                                   |
| -                                 | 72,043                 | -            | -                                  | -                                   |
| -                                 | 77,659                 | -            | -                                  | -                                   |
| -                                 | 81,364                 | -            | -                                  | -                                   |
| 6                                 | 84,586                 | 52           | 52                                 | 67                                  |
| 537                               | 94,080                 | 43           | 43                                 | 106                                 |
| 1,940                             | 98,654                 | -            | -                                  | 969                                 |
| 93,653                            | 91,675                 | -            | -                                  | 5,955                               |
| <b>\$ 96,136</b>                  | <b>\$ 787,247</b>      | <b>\$ 95</b> | <b>\$ 95</b>                       | <b>\$ 7,097</b>                     |

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

| Agency                                       | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date |
|--|-----------------------------|---------------------------------|----------------------|
| <b>DAIRY</b>                                 |                             |                                 |                      |
| 2007   | \$ 27,921                   | \$ -                            | \$ 27,921            |
| 2008   | 28,538                      | -                               | 28,538               |
| 2009   | 28,216                      | -                               | 28,216               |
| 2010   | 18,746                      | -                               | 18,746               |
| 2011   | 19,441                      | -                               | 19,441               |
| 2012   | 22,084                      | -                               | 22,084               |
| 2013   | 20,374                      | -                               | 20,374               |
| 2014   | 16,581                      | -                               | 16,581               |
| 2015   | 22,905                      | -                               | 22,905               |
| 2016   | 25,520                      | 19,194                          | 19,194               |
| <b>Total</b>                                 | <b>\$ 230,326</b>           | <b>\$ 19,194</b>                | <b>\$ 224,000</b>    |
| <b>EQUINE</b>                                |                             |                                 |                      |
| 2007   | \$ 4,283                    | \$ -                            | \$ 4,283             |
| 2008   | -                           | -                               | -                    |
| 2009   | 1,909                       | -                               | 1,909                |
| 2010   | 1,927                       | -                               | 1,927                |
| 2011   | 1,773                       | -                               | 1,773                |
| 2012   | 1,655                       | -                               | 1,655                |
| 2013   | 1,605                       | -                               | 1,605                |
| 2014   | 1,472                       | -                               | 1,462                |
| 2015   | 1,750                       | 47                              | 1,737                |
| 2016   | 1,902                       | 1,705                           | 1,705                |
| <b>Total</b>                                 | <b>\$ 18,276</b>            | <b>\$ 1,752</b>                 | <b>\$ 18,056</b>     |
| <b>HACKBERRY_WS HACKBERRY DRAW WATERSHED</b> |                             |                                 |                      |
| 2007   | \$ 7,310                    | \$ -                            | \$ 7,310             |
| 2008   | 9,017                       | -                               | 9,017                |
| 2009   | 9,587                       | -                               | 9,587                |
| 2010   | 9,980                       | -                               | 9,979                |
| 2011   | 10,252                      | -                               | 10,252               |
| 2012   | 10,893                      | -                               | 10,886               |
| 2013   | 11,157                      | -                               | 11,150               |
| 2014   | 11,228                      | 447                             | 11,168               |
| 2015   | 11,360                      | 391                             | 10,687               |
| 2016   | 11,217                      | 9,814                           | 9,814                |
| <b>Total</b>                                 | <b>\$ 102,001</b>           | <b>\$ 10,652</b>                | <b>\$ 99,850</b>     |

See independent auditors' report.



| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment  | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|-------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 27,921              | \$ -        | \$ -                               | \$ -                                |
| -                                 | 28,538                 | -           | -                                  | -                                   |
| -                                 | 28,216                 | \$0         | -                                  | -                                   |
| -                                 | 18,746                 | -           | -                                  | -                                   |
| -                                 | 19,441                 | -           | -                                  | -                                   |
| -                                 | 22,084                 | -           | -                                  | -                                   |
| -                                 | 20,374                 | -           | -                                  | -                                   |
| -                                 | 16,581                 | -           | -                                  | -                                   |
| -                                 | 22,905                 | -           | -                                  | -                                   |
| 19,194                            | 12,867                 | -           | -                                  | 6,326                               |
| <b>\$ 19,194</b>                  | <b>\$ 217,673</b>      | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 6,326</b>                     |
| \$ -                              | \$ 4,283               | \$ -        | \$ -                               | \$ -                                |
| -                                 | -                      | -           | -                                  | -                                   |
| -                                 | 1,909                  | -           | -                                  | -                                   |
| -                                 | 1,927                  | -           | -                                  | -                                   |
| -                                 | 1,773                  | -           | -                                  | -                                   |
| -                                 | 1,655                  | -           | -                                  | -                                   |
| -                                 | 1,605                  | -           | -                                  | -                                   |
| -                                 | 1,462                  | -           | -                                  | 10                                  |
| 47                                | 1,737                  | -           | -                                  | 13                                  |
| 1,591                             | 1,466                  | -           | -                                  | 198                                 |
| <b>\$ 1,638</b>                   | <b>\$ 17,817</b>       | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 221</b>                       |
| \$ -                              | \$ 7,310               | \$ -        | \$ -                               | \$ -                                |
| -                                 | 9,017                  | -           | -                                  | -                                   |
| -                                 | 9,587                  | -           | -                                  | -                                   |
| -                                 | 9,980                  | -           | -                                  | -                                   |
| -                                 | 10,252                 | -           | -                                  | -                                   |
| -                                 | 10,886                 | -           | -                                  | 7                                   |
| -                                 | 11,150                 | -           | -                                  | 7                                   |
| 277                               | 10,974                 | -           | -                                  | 60                                  |
| 351                               | 10,451                 | -           | -                                  | 673                                 |
| 9,572                             | 9,129                  | -           | -                                  | 1,404                               |
| <b>\$ 10,200</b>                  | <b>\$ 98,736</b>       | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 2,151</b>                     |

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**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

| Agency  | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date |
|---|-----------------------------|---------------------------------|----------------------|
| <b>PEC_VAL_ART_CONS PECOS VALLEY ART CONS</b> |                             |                                 |                      |
| 2007  | \$ 469,371                  | \$ -                            | \$ 469,365           |
| 2008  | 504,944                     | -                               | 504,938              |
| 2009  | 590,726                     | -                               | 590,720              |
| 2010  | 716,485                     | -                               | 716,479              |
| 2011  | 754,899                     | -                               | 754,893              |
| 2012  | 783,370                     | 26                              | 783,320              |
| 2013  | 801,287                     | 107                             | 801,052              |
| 2014  | 1,665,546                   | 9,667                           | 1,664,216            |
| 2015  | 1,711,170                   | 23,302                          | 1,698,844            |
| 2016  | 1,723,868                   | 1,678,113                       | 1,678,113            |
| <b>Total</b>                                  | <b>\$ 9,721,666</b>         | <b>\$ 1,711,215</b>             | <b>\$ 9,661,940</b>  |
| <b>PENASCO_SWCD PENASCO_SWCD</b>              |                             |                                 |                      |
| 2007  | \$ 3,251                    | \$ -                            | \$ 3,251             |
| 2008  | 3,366                       | -                               | 3,366                |
| 2009  | 3,615                       | -                               | 3,614                |
| 2010  | 3,729                       | -                               | 3,729                |
| 2011  | 3,939                       | -                               | 3,939                |
| 2012  | 4,046                       | -                               | 4,046                |
| 2013  | 4,316                       | 1                               | 4,310                |
| 2014  | 2,341                       | 6                               | 2,338                |
| 2015  | 4,746                       | 127                             | 4,728                |
| 2016  | 4,879                       | 4,417                           | 4,417                |
| <b>Total</b>                                  | <b>\$ 38,228</b>            | <b>\$ 4,551</b>                 | <b>\$ 37,738</b>     |
| <b>RATITES</b>                                |                             |                                 |                      |
| 2007  | \$ -                        | \$ -                            | \$ -                 |
| 2008  | -                           | -                               | -                    |
| 2009  | -                           | -                               | -                    |
| 2010  | -                           | -                               | -                    |
| 2011  | -                           | -                               | -                    |
| 2012  | 9                           | -                               | 8                    |
| 2013  | 23                          | -                               | 23                   |
| 2014  | 1                           | -                               | 2                    |
| 2015  | 2                           | 1                               | 2                    |
| 2016  | -                           | -                               | -                    |
| <b>Total</b>                                  | <b>\$ 35</b>                | <b>\$ 1</b>                     | <b>\$ 35</b>         |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment    | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|---------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 469,365             | \$ -          | \$ -                               | \$ 6                                |
| -                                 | 504,938                | -             | -                                  | 6                                   |
| -                                 | 590,720                | -             | -                                  | 6                                   |
| -                                 | 716,479                | -             | -                                  | 6                                   |
| -                                 | 754,893                | -             | -                                  | 6                                   |
| 26                                | 783,320                | -             | -                                  | 50                                  |
| 107                               | 801,004                | 35            | 35                                 | 200                                 |
| 6,045                             | 1,660,435              | 60            | 60                                 | 1,270                               |
| 21,566                            | 1,695,357              | -             | -                                  | 12,325                              |
| 1,657,877                         | 1,642,045              | 25            | 25                                 | 45,731                              |
| <b>\$ 1,685,621</b>               | <b>\$ 9,618,556</b>    | <b>\$ 120</b> | <b>\$ 120</b>                      | <b>\$ 59,606</b>                    |
| \$ -                              | \$ 3,251               | \$ -          | \$ -                               | \$ -                                |
| -                                 | 3,367                  | -             | -                                  | -                                   |
| -                                 | 3,615                  | -             | -                                  | -                                   |
| -                                 | 3,729                  | -             | -                                  | -                                   |
| -                                 | 3,939                  | -             | -                                  | -                                   |
| -                                 | 4,046                  | -             | -                                  | -                                   |
| 1                                 | 4,304                  | -             | -                                  | 6                                   |
| 4                                 | 2,333                  | -             | -                                  | 4                                   |
| 124                               | 4,711                  | -             | -                                  | 18                                  |
| 4,307                             | 4,093                  | -             | -                                  | 462                                 |
| <b>\$ 4,436</b>                   | <b>\$ 37,388</b>       | <b>\$ -</b>   | <b>\$ -</b>                        | <b>\$ 490</b>                       |
| \$ -                              | \$ -                   | \$ -          | \$ -                               | \$ -                                |
| -                                 | -                      | -             | -                                  | -                                   |
| -                                 | -                      | -             | -                                  | -                                   |
| -                                 | -                      | -             | -                                  | -                                   |
| -                                 | 9                      | -             | -                                  | -                                   |
| -                                 | 23                     | -             | -                                  | -                                   |
| -                                 | 1                      | -             | -                                  | -                                   |
| 1                                 | 2                      | -             | -                                  | -                                   |
| -                                 | -                      | -             | -                                  | -                                   |
| <b>\$ 1</b>                       | <b>\$ 35</b>           | <b>\$ -</b>   | <b>\$ -</b>                        | <b>\$ -</b>                         |

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

| Agency   | Property Taxes Levied | Collected In Current Year | Collected To Date    |
|--|-----------------------|---------------------------|----------------------|
| <b>SHEEP_GOATS SHEEP AND GOATS</b>                   |                       |                           |                      |
| 2007   | \$ 223                | \$ -                      | \$ 223               |
| 2008   | 146                   | -                         | 145                  |
| 2009   | 131                   | -                         | 131                  |
| 2010   | 187                   | -                         | 187                  |
| 2011   | 252                   | -                         | 252                  |
| 2012   | 290                   | -                         | 290                  |
| 2013   | 310                   | -                         | 310                  |
| 2014   | 239                   | -                         | 239                  |
| 2015   | 240                   | 3                         | 240                  |
| 2016   | 172                   | 172                       | 172                  |
| <b>Total</b>   | <b>\$ 2,190</b>       | <b>\$ 175</b>             | <b>\$ 2,189</b>      |
| <b>ARTESIA_GEN_HOSP ARTESIA GENERAL HOSPITAL-RES</b> |                       |                           |                      |
| 2007   | \$ 1,110,634          | \$ -                      | \$ 1,107,050         |
| 2008   | 1,187,733             | -                         | 1,185,573            |
| 2009   | 1,384,530             | 710                       | 1,382,412            |
| 2010   | 1,630,521             | 925                       | 1,627,385            |
| 2011   | 1,727,204             | 249                       | 1,725,756            |
| 2012   | 1,842,096             | 75                        | 1,839,043            |
| 2013   | 1,755,208             | 167                       | 1,752,619            |
| 2014   | 481,686               | 5,439                     | 480,897              |
| 2015   | 501,729               | 14,280                    | 495,500              |
| 2016   | 513,236               | 489,912                   | 489,912              |
| <b>Total</b>   | <b>\$ 12,134,577</b>  | <b>\$ 511,757</b>         | <b>\$ 12,086,147</b> |
| <b>ARTESIA_GEN_HSPN ARTESIA GENERAL HOSPITA</b>      |                       |                           |                      |
| 2007   | \$ -                  | \$ -                      | \$ -                 |
| 2008   | -                     | -                         | -                    |
| 2009   | -                     | -                         | -                    |
| 2010   | -                     | -                         | -                    |
| 2011   | -                     | -                         | -                    |
| 2012   | -                     | -                         | -                    |
| 2013   | -                     | -                         | -                    |
| 2014   | 1,408,317             | 8,384                     | 1,406,416            |
| 2015   | 1,503,699             | 19,398                    | 1,500,193            |
| 2016   | 1,542,345             | 1,523,732                 | 1,523,732            |
| <b>Total</b>   | <b>\$ 4,454,361</b>   | <b>\$ 1,551,514</b>       | <b>\$ 4,430,341</b>  |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment   | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|--------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 223                 | \$ -         | \$ -                               | \$ -                                |
| -                                 | 145                    | -            | -                                  | -                                   |
| -                                 | 131                    | -            | -                                  | -                                   |
| -                                 | 187                    | -            | -                                  | -                                   |
| -                                 | 252                    | -            | -                                  | -                                   |
| -                                 | 290                    | -            | -                                  | -                                   |
| -                                 | 310                    | -            | -                                  | -                                   |
| -                                 | 239                    | -            | -                                  | -                                   |
| 3                                 | 240                    | -            | -                                  | -                                   |
| 172                               | 172                    | -            | -                                  | -                                   |
| <b>\$ 175</b>                     | <b>\$ 2,189</b>        | <b>\$ -</b>  | <b>\$ -</b>                        | <b>\$ -</b>                         |
| \$ -                              | \$ 1,103,476           | \$ -         | \$ -                               | \$ 3,584                            |
| -                                 | 1,183,700              | -            | -                                  | 2,161                               |
| 710                               | 1,381,195              | -            | -                                  | 2,118                               |
| 926                               | 1,626,127              | -            | -                                  | 3,136                               |
| 249                               | 1,724,736              | -            | -                                  | 1,448                               |
| 75                                | 1,837,014              | -            | -                                  | 3,053                               |
| 159                               | 1,751,861              | 51           | 51                                 | 2,538                               |
| 3,858                             | 479,239                | 2            | 2                                  | 786                                 |
| 13,440                            | 493,899                | 10           | 10                                 | 6,219                               |
| 479,734                           | 471,067                | 19           | 19                                 | 23,304                              |
| <b>\$ 499,151</b>                 | <b>\$ 12,052,314</b>   | <b>\$ 82</b> | <b>\$ 82</b>                       | <b>\$ 48,347</b>                    |
| \$ -                              | \$ -                   | \$ -         | \$ -                               | \$ -                                |
| -                                 | -                      | -            | -                                  | -                                   |
| -                                 | -                      | -            | -                                  | -                                   |
| -                                 | -                      | -            | -                                  | -                                   |
| -                                 | -                      | -            | -                                  | -                                   |
| -                                 | -                      | -            | -                                  | -                                   |
| 7,918                             | 1,405,227              | 41           | 41                                 | 1,860                               |
| 19,230                            | 1,498,937              | -            | -                                  | 3,506                               |
| 1,502,529                         | 1,494,069              | -            | -                                  | 18,612                              |
| <b>\$ 1,529,677</b>               | <b>\$ 4,398,233</b>    | <b>\$ 41</b> | <b>\$ 41</b>                       | <b>\$ 23,978</b>                    |

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

| Agency   | Property Taxes Levied | Collected In Current Year | Collected To Date   |
|--|-----------------------|---------------------------|---------------------|
| <b>ARTESIA MUN N MUNICIPAL</b>                     |                       |                           |                     |
| 2007   | \$ 271,224            | \$ -                      | \$ 271,224          |
| 2008   | 301,751               | -                         | 301,751             |
| 2009   | 363,741               | 39                        | 363,741             |
| 2010   | 481,400               | -                         | 481,400             |
| 2011   | 505,977               | 185                       | 505,977             |
| 2012   | 524,092               | 9                         | 524,092             |
| 2013   | 533,709               | 9                         | 533,576             |
| 2014   | 546,217               | 886                       | 546,006             |
| 2015   | -                     | -                         | -                   |
| 2016   | -                     | -                         | -                   |
| <b>Total</b>                                       | <b>\$ 3,528,111</b>   | <b>\$ 1,128</b>           | <b>\$ 3,527,767</b> |
| <b>ARTESIA_MUN_R ARTESIA MUNICIPAL OPERATIONAL</b> |                       |                           |                     |
| 2007   | \$ 139,597            | \$ -                      | \$ 139,597          |
| 2008   | 150,133               | -                         | 150,133             |
| 2009   | 165,381               | -                         | 165,381             |
| 2010   | 170,645               | -                         | 170,645             |
| 2011   | 178,225               | -                         | 178,225             |
| 2012   | 188,207               | 34                        | 188,184             |
| 2013   | 194,302               | 15                        | 194,214             |
| 2014   | 198,726               | 2,536                     | 198,315             |
| 2015   | -                     | -                         | -                   |
| 2016   | -                     | -                         | -                   |
| <b>Total</b>                                       | <b>\$ 1,385,216</b>   | <b>\$ 2,585</b>           | <b>\$ 1,384,694</b> |
| <b>ARTESIA N OP ARTESIA SCHOOL OPERATIONAL</b>     |                       |                           |                     |
| 2007   | \$ 128,588            | \$ -                      | \$ 127,990          |
| 2008   | 138,264               | -                         | 137,904             |
| 2009   | 163,567               | 118                       | 163,214             |
| 2010   | 199,385               | 154                       | 198,863             |
| 2011   | 210,805               | 42                        | 210,564             |
| 2012   | 225,461               | 3                         | 224,958             |
| 2013   | 235,212               | 3                         | 234,764             |
| 2014   | 256,962               | 1,530                     | 256,615             |
| 2015   | 278,463               | 3,592                     | 277,813             |
| 2016   | 286,502               | 283,044                   | 283,045             |
| <b>Total</b>                                       | <b>\$ 2,123,209</b>   | <b>\$ 288,486</b>         | <b>\$ 2,115,730</b> |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment   | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|--------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 271,224             | \$ -         | \$ -                               | \$ -                                |
| -                                 | 301,751                | -            | -                                  | -                                   |
| 39                                | 363,741                | -            | -                                  | -                                   |
| -                                 | 481,400                | -            | -                                  | -                                   |
| 185                               | 505,977                | -            | -                                  | -                                   |
| 9                                 | 524,092                | -            | -                                  | -                                   |
| 9                                 | 533,523                | 40           | 40                                 | 93                                  |
| 666                               | 545,731                | 33           | 33                                 | 178                                 |
| -                                 | -                      | -            | -                                  | -                                   |
| -                                 | -                      | -            | -                                  | -                                   |
| <b>\$ 908</b>                     | <b>\$ 3,527,439</b>    | <b>\$ 73</b> | <b>\$ 73</b>                       | <b>\$ 271</b>                       |
| \$ -                              | \$ 139,597             | \$ -         | \$ -                               | \$ -                                |
| -                                 | 150,133                | -            | -                                  | -                                   |
| -                                 | 165,381                | -            | -                                  | -                                   |
| -                                 | 170,645                | -            | -                                  | -                                   |
| -                                 | 178,225                | -            | -                                  | -                                   |
| 34                                | 188,184                | -            | -                                  | 22                                  |
| 15                                | 194,214                | -            | -                                  | 89                                  |
| 1,636                             | 197,377                | -            | -                                  | 411                                 |
| -                                 | -                      | -            | -                                  | -                                   |
| -                                 | -                      | -            | -                                  | -                                   |
| <b>\$ 1,685</b>                   | <b>\$ 1,383,756</b>    | <b>\$ -</b>  | <b>\$ -</b>                        | <b>\$ 522</b>                       |
| \$ -                              | \$ 127,395             | \$ -         | \$ -                               | \$ 597                              |
| -                                 | 137,592                | -            | -                                  | 360                                 |
| 118                               | 163,011                | -            | -                                  | 353                                 |
| 154                               | 198,653                | -            | -                                  | 523                                 |
| 42                                | 210,394                | -            | -                                  | 241                                 |
| 3                                 | 224,620                | -            | -                                  | 503                                 |
| 2                                 | 234,626                | 9            | 9                                  | 439                                 |
| 1,445                             | 256,398                | 7            | 7                                  | 339                                 |
| 3,561                             | 277,581                | -            | -                                  | 649                                 |
| 279,106                           | 277,534                | -            | -                                  | 3,458                               |
| <b>\$ 284,431</b>                 | <b>\$ 2,107,804</b>    | <b>\$ 16</b> | <b>\$ 16</b>                       | <b>\$ 7,462</b>                     |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Eddy County Treasurer Property Tax Schedule  
For the Year Ended June 30, 2017

| Agency  | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date |
|---|-----------------------------|---------------------------------|----------------------|
| <b>ARTESIA_R_OP ARTESIA SCHOOLS OPERATIONAL</b>   |                             |                                 |                      |
| 2007  | \$ 48,379                   | \$ -                            | \$ 48,379            |
| 2008  | 52,887                      | -                               | 52,887               |
| 2009  | 59,394                      | -                               | 59,394               |
| 2010  | 61,513                      | -                               | 61,513               |
| 2011  | 64,578                      | -                               | 64,578               |
| 2012  | 68,343                      | 8                               | 68,338               |
| 2013  | 71,611                      | 23                              | 71,590               |
| 2014  | 73,810                      | 833                             | 73,689               |
| 2015  | 77,024                      | 2,192                           | 76,068               |
| 2016  | 78,668                      | 75,093                          | 75,093               |
| <b>Total</b>                                      | <b>\$ 656,207</b>           | <b>\$ 78,149</b>                | <b>\$ 651,529</b>    |
| <b>ARTESIA_SD_DS ARTESIA SCHOOL DIST DEBT SVC</b> |                             |                                 |                      |
| 2007  | \$ 258,408                  | \$ -                            | \$ 257,574           |
| 2008  | 279,513                     | -                               | 279,005              |
| 2009  | 217,833                     | 112                             | 217,499              |
| 2010  | 415,239                     | 236                             | 414,441              |
| 2011  | 310,897                     | 45                              | 310,636              |
| 2012  | -                           | -                               | -                    |
| 2013  | -                           | -                               | -                    |
| 2014  | -                           | -                               | -                    |
| 2015  | -                           | -                               | -                    |
| 2016  | -                           | -                               | -                    |
| <b>Total</b>                                      | <b>\$ 1,481,890</b>         | <b>\$ 393</b>                   | <b>\$ 1,479,155</b>  |
| <b>ART_GEN_HSP_DEBT ART_GEN_HSP_DEBT</b>          |                             |                                 |                      |
| 2007  | \$ 976,618                  | \$ -                            | \$ 973,466           |
| 2008  | 722,142                     | -                               | 720,828              |
| 2009  | 841,794                     | 432                             | 840,506              |
| 2010  | 992,987                     | 564                             | 991,077              |
| 2011  | 652,883                     | 94                              | 652,336              |
| 2012  | 697,540                     | 28                              | 696,385              |
| 2013  | 934,161                     | 89                              | 932,783              |
| 2014  | 701,548                     | 5,147                           | 700,549              |
| 2015  | 1,315,114                   | 22,273                          | 1,308,609            |
| 2016  | 1,938,340                   | 1,897,755                       | 1,897,755            |
| <b>Total</b>                                      | <b>\$ 9,773,127</b>         | <b>\$ 1,926,382</b>             | <b>\$ 9,714,294</b>  |

See independent auditors' report.



| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment   | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|--------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 48,379              | \$ -         | \$ -                               | \$ -                                |
| -                                 | 52,887                 | -            | -                                  | -                                   |
| -                                 | 59,394                 | -            | -                                  | -                                   |
| -                                 | 61,513                 | -            | -                                  | -                                   |
| -                                 | 64,578                 | -            | -                                  | -                                   |
| 8                                 | 68,338                 | -            | -                                  | 5                                   |
| 23                                | 71,590                 | -            | -                                  | 20                                  |
| 591                               | 73,435                 | -            | -                                  | 121                                 |
| 2,063                             | 75,822                 | 2            | 2                                  | 955                                 |
| 73,533                            | 72,204                 | 3            | 3                                  | 3,572                               |
| <b>\$ 76,218</b>                  | <b>\$ 648,140</b>      | <b>\$ 5</b>  | <b>\$ 5</b>                        | <b>\$ 4,673</b>                     |
| \$ -                              | \$ 256,742             | \$ -         | \$ -                               | \$ 834                              |
| -                                 | 278,564                | -            | -                                  | 508                                 |
| 112                               | 217,308                | -            | -                                  | 333                                 |
| 235                               | 414,120                | -            | -                                  | 799                                 |
| 45                                | 310,453                | -            | -                                  | 261                                 |
| -                                 | -                      | -            | -                                  | -                                   |
| -                                 | -                      | -            | -                                  | -                                   |
| -                                 | -                      | -            | -                                  | -                                   |
| -                                 | -                      | -            | -                                  | -                                   |
| <b>\$ 392</b>                     | <b>\$ 1,477,187</b>    | <b>\$ -</b>  | <b>\$ -</b>                        | <b>\$ 2,735</b>                     |
| \$ -                              | \$ 970,323             | \$ -         | \$ -                               | \$ 3,152                            |
| -                                 | 719,690                | -            | -                                  | 1,314                               |
| 432                               | 839,767                | -            | -                                  | 1,288                               |
| 564                               | 990,311                | -            | -                                  | 1,910                               |
| 94                                | 651,950                | -            | -                                  | 547                                 |
| 29                                | 695,616                | -            | -                                  | 1,156                               |
| 85                                | 932,380                | 27           | 27                                 | 1,351                               |
| 4,378                             | 699,484                | 16           | 16                                 | 983                                 |
| 21,592                            | 1,306,706              | 7            | 7                                  | 6,498                               |
| 1,867,974                         | 1,851,469              | 20           | 20                                 | 40,565                              |
| <b>\$ 1,895,148</b>               | <b>\$ 9,657,696</b>    | <b>\$ 70</b> | <b>\$ 70</b>                       | <b>\$ 58,764</b>                    |

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

| Agency  | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date |
|---|-----------------------------|---------------------------------|----------------------|
| <b>ART_HB33_BLDG ARTESIA HB 33 SCH BLDG</b>             |                             |                                 |                      |
| 2007  | \$ 1,592,649                | \$ -                            | \$ 1,587,510         |
| 2008  | 1,700,042                   | -                               | 1,696,950            |
| 2009  | 2,089,717                   | 1,072                           | 2,086,520            |
| 2010  | 2,302,296                   | 1,307                           | 2,297,867            |
| 2011  | 2,567,777                   | 371                             | 2,565,624            |
| 2012  | 3,070,160                   | 125                             | 3,065,072            |
| 2013  | 3,250,386                   | 310                             | 3,245,591            |
| 2014  | 3,532,468                   | 25,917                          | 3,527,438            |
| 2015  | 3,759,616                   | 63,673                          | 3,741,019            |
| 2016  | 3,957,411                   | 3,874,551                       | 3,874,551            |
| <b>Total</b>  | <b>\$ 27,822,522</b>        | <b>\$ 3,967,326</b>             | <b>\$ 27,688,142</b> |
| <b>ART_SD_CAP_IMP ARTESIA SCH DIST CAP IMP-RES</b>      |                             |                                 |                      |
| 2007  | \$ 224,038                  | \$ -                            | \$ 224,038           |
| 2008  | 238,767                     | -                               | 238,767              |
| 2009  | 268,080                     | -                               | 268,080              |
| 2010  | 277,749                     | -                               | 277,749              |
| 2011  | 291,448                     | -                               | 291,448              |
| 2012  | 326,220                     | 37                              | 326,195              |
| 2013  | 341,794                     | 109                             | 341,695              |
| 2014  | 352,565                     | 3,981                           | 351,987              |
| 2015  | 367,181                     | 10,451                          | 362,622              |
| 2016  | 375,671                     | 358,599                         | 358,600              |
| <b>Total</b>  | <b>\$ 3,063,513</b>         | <b>\$ 373,177</b>               | <b>\$ 3,041,181</b>  |
| <b>ART_SD_CAP_IMP_N ARTESIA SCH DIST CAP IMP-NONRES</b> |                             |                                 |                      |
| 2007  | \$ 514,350                  | \$ -                            | \$ 511,961           |
| 2008  | 553,055                     | -                               | 551,615              |
| 2009  | 654,268                     | 473                             | 652,856              |
| 2010  | 797,541                     | 617                             | 795,450              |
| 2011  | 843,222                     | 166                             | 842,257              |
| 2012  | 901,844                     | 13                              | 899,834              |
| 2013  | 940,373                     | 14                              | 938,581              |
| 2014  | 1,028,893                   | 6,125                           | 1,027,504            |
| 2015  | 1,113,851                   | 14,369                          | 1,111,254            |
| 2016  | 1,146,008                   | 1,132,178                       | 1,132,178            |
| <b>Total</b>  | <b>\$ 8,493,405</b>         | <b>\$ 1,153,955</b>             | <b>\$ 8,463,490</b>  |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment    | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|---------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 1,582,384           | \$ -          | \$ -                               | \$ 5,139                            |
| -                                 | 1,694,269              | -             | -                                  | 3,092                               |
| 1,072                             | 2,084,684              | -             | -                                  | 3,197                               |
| 1,307                             | 2,296,091              | -             | -                                  | 4,428                               |
| 370                               | 2,564,108              | -             | -                                  | 2,153                               |
| 125                               | 3,061,690              | -             | -                                  | 5,088                               |
| 295                               | 3,244,188              | 94            | 94                                 | 4,701                               |
| 22,046                            | 3,522,075              | 80            | 80                                 | 4,950                               |
| 61,728                            | 3,735,580              | 20            | 20                                 | 18,578                              |
| 3,813,749                         | 3,780,052              | 40            | 40                                 | 82,820                              |
| <b>\$ 3,900,692</b>               | <b>\$ 27,565,121</b>   | <b>\$ 234</b> | <b>\$ 234</b>                      | <b>\$ 134,146</b>                   |
| \$ -                              | \$ 224,038             | \$ -          | \$ -                               | \$ -                                |
| -                                 | 238,767                | -             | -                                  | -                                   |
| -                                 | 268,080                | -             | -                                  | -                                   |
| -                                 | 277,749                | -             | -                                  | -                                   |
| -                                 | 291,448                | -             | -                                  | -                                   |
| 37                                | 326,195                | -             | -                                  | 25                                  |
| 109                               | 341,695                | 2             | 2                                  | 97                                  |
| 2,823                             | 350,774                | 2             | 2                                  | 576                                 |
| 9,836                             | 361,450                | 7             | 7                                  | 4,551                               |
| 351,149                           | 344,806                | 14            | 14                                 | 17,058                              |
| <b>\$ 363,954</b>                 | <b>\$ 3,025,002</b>    | <b>\$ 25</b>  | <b>\$ 25</b>                       | <b>\$ 22,307</b>                    |
| \$ -                              | \$ 509,578             | \$ -          | \$ -                               | \$ 2,389                            |
| -                                 | 550,367                | -             | -                                  | 1,440                               |
| 474                               | 652,045                | -             | -                                  | 1,412                               |
| 617                               | 794,612                | -             | -                                  | 2,091                               |
| 166                               | 841,576                | -             | -                                  | 965                                 |
| 13                                | 898,481                | -             | -                                  | 2,010                               |
| 8                                 | 938,028                | 35            | 35                                 | 1,756                               |
| 5,785                             | 1,026,635              | 30            | 30                                 | 1,359                               |
| 14,244                            | 1,110,324              | -             | -                                  | 2,597                               |
| 1,116,423                         | 1,110,137              | -             | -                                  | 13,830                              |
| <b>\$ 1,137,730</b>               | <b>\$ 8,431,783</b>    | <b>\$ 65</b>  | <b>\$ 65</b>                       | <b>\$ 29,849</b>                    |

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

| Agency   | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date |
|--|-----------------------------|---------------------------------|----------------------|
| <b>CARLSBAD_MUN_N CARLSBAD MUNICIPAL OPERATIONAL</b> |                             |                                 |                      |
| 2007   | \$ 633,580                  | \$ -                            | \$ 633,408           |
| 2008   | 677,642                     | -                               | 677,477              |
| 2009   | 713,455                     | -                               | 713,290              |
| 2010   | 725,565                     | -                               | 725,368              |
| 2011   | 770,677                     | -                               | 770,486              |
| 2012   | 838,556                     | -                               | 838,361              |
| 2013   | 886,843                     | -                               | 886,454              |
| 2014   | 907,670                     | 3,669                           | 906,986              |
| 2015   | 1,003,915                   | 18,387                          | 995,584              |
| 2016   | 1,165,123                   | 1,078,868                       | 1,078,867            |
| <b>Total</b>   | <b>\$ 8,323,026</b>         | <b>\$ 1,100,924</b>             | <b>\$ 8,226,281</b>  |
| <b>CARLSBAD_MU</b>                                   |                             |                                 |                      |
| 2007   | \$ 1,111,400                | \$ -                            | \$ 1,111,400         |
| 2008   | 1,168,303                   | -                               | 1,168,303            |
| 2009   | 1,252,281                   | -                               | 1,252,281            |
| 2010   | 1,279,834                   | -                               | 1,279,810            |
| 2011   | 1,330,507                   | -                               | 1,330,468            |
| 2012   | 1,391,979                   | 55                              | 1,391,925            |
| 2013   | 1,456,513                   | 245                             | 1,456,131            |
| 2014   | 1,506,110                   | 22,042                          | 1,503,657            |
| 2015   | 1,567,683                   | 48,694                          | 1,539,751            |
| 2016   | 1,625,566                   | 1,533,838                       | 1,533,838            |
| <b>Total</b>   | <b>\$ 13,690,176</b>        | <b>\$ 1,604,874</b>             | <b>\$ 13,567,564</b> |
| <b>CARLSBAD_N_OP CARLSBAD SCHOOLS OPERATIONAL</b>    |                             |                                 |                      |
| 2007   | \$ 171,670                  | \$ 76                           | \$ 171,438           |
| 2008   | 200,541                     | 1                               | 200,311              |
| 2009   | 264,432                     | -                               | 264,218              |
| 2010   | 250,365                     | -                               | 250,082              |
| 2011   | 256,934                     | -                               | 256,585              |
| 2012   | 312,909                     | -                               | 312,449              |
| 2013   | 282,289                     | -                               | 281,811              |
| 2014   | 325,000                     | 1,797                           | 324,740              |
| 2015   | 346,222                     | 4,794                           | 345,037              |
| 2016   | 395,826                     | 384,062                         | 384,062              |
| <b>Total</b>   | <b>\$ 2,806,188</b>         | <b>\$ 390,730</b>               | <b>\$ 2,790,733</b>  |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment  | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|-------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 633,408             | \$ -        | \$ -                               | \$ 172                              |
| -                                 | 677,477                | -           | -                                  | 165                                 |
| -                                 | 713,290                | -           | -                                  | 165                                 |
| -                                 | 725,368                | -           | -                                  | 197                                 |
| -                                 | 770,486                | -           | -                                  | 191                                 |
| -                                 | 838,361                | -           | -                                  | 195                                 |
| -                                 | 886,454                | -           | -                                  | 389                                 |
| 1,677                             | 904,981                | -           | -                                  | 684                                 |
| 17,533                            | 993,438                | 8           | 8                                  | 8,323                               |
| 1,050,765                         | 991,889                | -           | -                                  | 86,256                              |
| <b>\$ 1,069,975</b>               | <b>\$ 8,135,152</b>    | <b>\$ 8</b> | <b>\$ 8</b>                        | <b>\$ 96,737</b>                    |
| \$ -                              | \$ 1,111,400           | \$ -        | \$ -                               | \$ -                                |
| -                                 | 1,168,303              | -           | -                                  | -                                   |
| -                                 | 1,252,281              | -           | -                                  | -                                   |
| -                                 | 1,279,810              | -           | -                                  | 23                                  |
| -                                 | 1,330,468              | -           | -                                  | 39                                  |
| 55                                | 1,391,924              | -           | -                                  | 55                                  |
| 246                               | 1,455,952              | -           | -                                  | 382                                 |
| 13,568                            | 1,493,845              | -           | -                                  | 2,453                               |
| 46,959                            | 1,533,470              | -           | -                                  | 27,932                              |
| 1,507,658                         | 1,475,563              | -           | -                                  | 91,728                              |
| <b>\$ 1,568,486</b>               | <b>\$ 13,493,016</b>   | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 122,612</b>                   |
| \$ 76                             | \$ 171,310             | \$ -        | \$ -                               | \$ 232                              |
| 1                                 | 200,254                | -           | -                                  | 229                                 |
| -                                 | 264,102                | -           | -                                  | 214                                 |
| -                                 | 249,896                | -           | -                                  | 283                                 |
| -                                 | 256,329                | -           | -                                  | 349                                 |
| -                                 | 312,079                | -           | -                                  | 460                                 |
| -                                 | 281,440                | -           | -                                  | 479                                 |
| 1,635                             | 324,573                | -           | -                                  | 260                                 |
| 4,719                             | 344,772                | 1           | 1                                  | 1,184                               |
| 381,308                           | 374,794                | -           | -                                  | 11,764                              |
| <b>\$ 387,739</b>                 | <b>\$ 2,779,549</b>    | <b>\$ 1</b> | <b>\$ 1</b>                        | <b>\$ 15,454</b>                    |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Eddy County Treasurer Property Tax Schedule  
For the Year Ended June 30, 2017

| Agency  | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date |
|---|-----------------------------|---------------------------------|----------------------|
| <b>CARLSBAD_R_OP CARLSBAD SCHOOLS OPERATIONAL</b>   |                             |                                 |                      |
| 2007  | \$ 102,694                  | \$ -                            | \$ 102,695           |
| 2008  | 110,196                     | -                               | 110,196              |
| 2009  | 118,935                     | -                               | 118,934              |
| 2010  | 122,181                     | -                               | 122,179              |
| 2011  | 127,432                     | -                               | 127,429              |
| 2012  | 133,474                     | 5                               | 133,467              |
| 2013  | 139,566                     | 31                              | 139,497              |
| 2014  | 143,730                     | 2,028                           | 143,486              |
| 2015  | 149,371                     | 4,684                           | 146,723              |
| 2016  | 154,047                     | 145,078                         | 145,078              |
| <b>Total</b>  | <b>\$ 1,301,626</b>         | <b>\$ 151,826</b>               | <b>\$ 1,289,684</b>  |
| <b>CARLSBAD_SD_DS CARLSBAD SCHOOL DIST DEBT SVC</b> |                             |                                 |                      |
| 2007  | \$ 762,067                  | \$ 198                          | \$ 761,462           |
| 2008  | 916,851                     | 1                               | 916,206              |
| 2009  | 899,399                     | -                               | 898,913              |
| 2010  | 1,059,910                   | -                               | 1,059,143            |
| 2011  | 1,095,819                   | -                               | 1,094,872            |
| 2012  | 961,891                     | 11                              | 960,935              |
| 2013  | 617,538                     | 51                              | 616,770              |
| 2014  | 2,164,512                   | 18,654                          | 2,162,078            |
| 2015  | 5,651,690                   | 113,725                         | 5,603,380            |
| 2016  | 4,932,466                   | 4,736,990                       | 4,736,990            |
| <b>Total</b>  | <b>\$ 19,062,143</b>        | <b>\$ 4,869,630</b>             | <b>\$ 18,810,749</b> |
| <b>CAR_HB33_BLDG CARLSBAD HB 33 SCH BLDG-RES</b>    |                             |                                 |                      |
| 2007  | \$ 481,410                  | \$ -                            | \$ 481,411           |
| 2008  | 502,035                     | -                               | 502,033              |
| 2009  | 536,952                     | -                               | 536,946              |
| 2010  | 572,276                     | -                               | 572,268              |
| 2011  | 596,598                     | -                               | 596,585              |
| 2012  | 624,986                     | 22                              | 624,954              |
| 2013  | 653,005                     | 144                             | 652,684              |
| 2014  | 673,301                     | 9,499                           | 672,157              |
| 2015  | 698,622                     | 21,909                          | 686,237              |
| 2016  | 757,995                     | 713,863                         | 713,863              |
| <b>Total</b>  | <b>\$ 6,097,180</b>         | <b>\$ 745,437</b>               | <b>\$ 6,039,138</b>  |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment   | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|--------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 102,694             | \$ -         | \$ -                               | \$ -                                |
| -                                 | 110,196                | 1            | 1                                  | -                                   |
| -                                 | 118,934                | 1            | 1                                  | -                                   |
| -                                 | 122,179                | -            | -                                  | 2                                   |
| -                                 | 127,429                | -            | -                                  | 3                                   |
| 5                                 | 133,467                | -            | -                                  | 7                                   |
| 31                                | 139,457                | -            | -                                  | 68                                  |
| 1,161                             | 142,485                | 1            | 1                                  | 243                                 |
| 4,455                             | 146,009                | 2            | 2                                  | 2,646                               |
| 142,331                           | 139,073                | -            | -                                  | 8,969                               |
| <b>\$ 147,983</b>                 | <b>\$ 1,281,923</b>    | <b>\$ 5</b>  | <b>\$ 5</b>                        | <b>\$ 11,938</b>                    |
| \$ 198                            | \$ 761,128             | \$ -         | \$ -                               | \$ 606                              |
| 2                                 | 916,042                | 2            | 2                                  | 644                                 |
| -                                 | 898,651                | 4            | 4                                  | 482                                 |
| -                                 | 1,058,642              | -            | -                                  | 767                                 |
| -                                 | 1,094,186              | -            | -                                  | 946                                 |
| 11                                | 960,180                | -            | -                                  | 956                                 |
| 52                                | 616,198                | -            | -                                  | 768                                 |
| 13,262                            | 2,155,937              | 5            | 5                                  | 2,428                               |
| 109,841                           | 5,590,923              | 32           | 32                                 | 48,277                              |
| 4,684,028                         | 4,594,791              | -            | -                                  | 195,477                             |
| <b>\$ 4,807,394</b>               | <b>\$ 18,646,678</b>   | <b>\$ 43</b> | <b>\$ 43</b>                       | <b>\$ 251,351</b>                   |
| \$ -                              | \$ 481,411             | \$ -         | \$ -                               | \$ -                                |
| -                                 | 502,033                | 2            | 2                                  | -                                   |
| -                                 | 536,946                | 6            | 6                                  | -                                   |
| -                                 | 572,268                | -            | -                                  | 8                                   |
| -                                 | 596,585                | -            | -                                  | 13                                  |
| 22                                | 624,954                | -            | -                                  | 32                                  |
| 144                               | 652,496                | -            | -                                  | 321                                 |
| 5,438                             | 667,467                | 5            | 5                                  | 1,139                               |
| 20,839                            | 682,896                | 8            | 8                                  | 12,377                              |
| 700,349                           | 684,313                | -            | -                                  | 44,131                              |
| <b>\$ 726,792</b>                 | <b>\$ 6,001,369</b>    | <b>\$ 21</b> | <b>\$ 21</b>                       | <b>\$ 58,021</b>                    |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Eddy County Treasurer Property Tax Schedule  
For the Year Ended June 30, 2017

| Agency   | Property Taxes Levied | Collected In Current Year | Collected To Date    |
|--|-----------------------|---------------------------|----------------------|
| <b>CAR_HB33_BLDG_NR CARLSBAD HB 33 SCH BLDG-NONRES</b>   |                       |                           |                      |
| 2007   | \$ 686,682            | \$ 304                    | \$ 685,752           |
| 2008   | 802,162               | 2                         | 801,247              |
| 2009   | 1,057,727             | -                         | 1,056,872            |
| 2010   | 1,001,459             | -                         | 1,000,328            |
| 2011   | 1,027,736             | -                         | 1,026,340            |
| 2012   | 1,251,637             | -                         | 1,249,795            |
| 2013   | 1,129,158             | -                         | 1,127,243            |
| 2014   | 1,300,000             | 7,188                     | 1,298,959            |
| 2015   | 1,384,190             | 19,167                    | 1,379,453            |
| 2016   | 1,573,012             | 1,526,262                 | 1,526,262            |
| <b>Total</b>   | <b>\$ 11,213,763</b>  | <b>\$ 1,552,923</b>       | <b>\$ 11,152,251</b> |
| <b>CAR_SD_CAP_IMP CARLSBAD SCH DIST CAP IMP-RES</b>      |                       |                           |                      |
| 2007   | \$ 481,410            | \$ -                      | \$ 481,410           |
| 2008   | 502,035               | -                         | 502,033              |
| 2009   | 536,952               | -                         | 536,946              |
| 2010   | 551,388               | -                         | 551,380              |
| 2011   | 574,805               | -                         | 574,792              |
| 2012   | -                     | -                         | -                    |
| 2013   | 679,152               | 150                       | 678,819              |
| 2014   | 699,999               | 9,875                     | 698,810              |
| 2015   | 727,018               | 22,800                    | 714,130              |
| 2016   | 750,820               | 707,106                   | 707,106              |
| <b>Total</b>   | <b>\$ 5,503,579</b>   | <b>\$ 739,931</b>         | <b>\$ 5,445,426</b>  |
| <b>CAR_SD_CAP_IMP_N CARLSBAD SCH DIST CAP IMP-NONRES</b> |                       |                           |                      |
| 2007   | \$ 686,681            | \$ 304                    | \$ 685,752           |
| 2008   | 802,162               | 2                         | 801,247              |
| 2009   | 1,057,727             | -                         | 1,056,872            |
| 2010   | 1,001,459             | -                         | 1,000,328            |
| 2011   | 1,027,736             | -                         | 1,026,340            |
| 2012   | -                     | -                         | -                    |
| 2013   | 1,129,158             | -                         | 1,127,243            |
| 2014   | 1,300,000             | 7,188                     | 1,298,959            |
| 2015   | 1,384,190             | 19,167                    | 1,379,453            |
| 2016   | 1,573,012             | 1,526,262                 | 1,526,262            |
| <b>Total</b>   | <b>\$ 9,962,125</b>   | <b>\$ 1,552,923</b>       | <b>\$ 9,902,456</b>  |

See independent auditors' report.



| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment   | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|--------------|------------------------------------|-------------------------------------|
| \$ 304                            | \$ 685,241             | \$ -         | \$ -                               | \$ 929                              |
| 2                                 | 801,014                | -            | -                                  | 916                                 |
| -                                 | 1,056,407              | -            | -                                  | 855                                 |
| -                                 | 999,584                | -            | -                                  | 1,131                               |
| -                                 | 1,025,317              | -            | -                                  | 1,396                               |
| -                                 | 1,248,317              | -            | -                                  | 1,842                               |
| -                                 | 1,125,762              | -            | -                                  | 1,915                               |
| 6,540                             | 1,298,291              | -            | -                                  | 1,042                               |
| 18,868                            | 1,378,395              | 4            | 4                                  | 4,733                               |
| 1,515,320                         | 1,489,430              | -            | -                                  | 46,749                              |
| <b>\$ 1,541,034</b>               | <b>\$ 11,107,758</b>   | <b>\$ 4</b>  | <b>\$ 4</b>                        | <b>\$ 61,508</b>                    |
| \$ -                              | \$ 481,411             | \$ -         | \$ -                               | \$ -                                |
| -                                 | 502,033                | 2            | 2                                  | -                                   |
| -                                 | 536,946                | 7            | 7                                  | -                                   |
| -                                 | 551,380                | -            | -                                  | 8                                   |
| -                                 | 574,792                | -            | -                                  | 12                                  |
| -                                 | -                      | -            | -                                  | -                                   |
| 150                               | 678,623                | -            | -                                  | 334                                 |
| 5,653                             | 693,933                | 5            | 5                                  | 1,184                               |
| 21,687                            | 710,653                | 8            | 8                                  | 12,880                              |
| 693,720                           | 677,836                | -            | -                                  | 43,714                              |
| <b>\$ 721,210</b>                 | <b>\$ 5,407,607</b>    | <b>\$ 22</b> | <b>\$ 22</b>                       | <b>\$ 58,132</b>                    |
| \$ 304                            | \$ 685,241             | \$ -         | \$ -                               | \$ 929                              |
| 2                                 | 801,014                | -            | -                                  | 916                                 |
| -                                 | 1,056,406              | -            | -                                  | 855                                 |
| -                                 | 999,584                | -            | -                                  | 1,131                               |
| -                                 | 1,025,317              | -            | -                                  | 1,396                               |
| -                                 | -                      | -            | -                                  | -                                   |
| -                                 | 1,125,762              | -            | -                                  | 1,915                               |
| 6,540                             | 1,298,292              | -            | -                                  | 1,042                               |
| 18,868                            | 1,378,395              | 4            | 4                                  | 4,733                               |
| 1,515,320                         | 1,489,430              | -            | -                                  | 46,749                              |
| <b>\$ 1,541,034</b>               | <b>\$ 9,859,441</b>    | <b>\$ 4</b>  | <b>\$ 4</b>                        | <b>\$ 59,666</b>                    |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Eddy County Treasurer Property Tax Schedule  
For the Year Ended June 30, 2017

| Agency   | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date |
|--|-----------------------------|---------------------------------|----------------------|
| <b>CAR_SD_ET_DS CARLSBAD SCHOOL DIS ED TECH DEBT SVC</b> |                             |                                 |                      |
| 2007   | \$ -                        | \$ -                            | \$ -                 |
| 2008   | -                           | -                               | -                    |
| 2009   | -                           | -                               | -                    |
| 2010   | -                           | -                               | -                    |
| 2011   | -                           | -                               | -                    |
| 2012   | 2,187,572                   | 25                              | 2,185,397            |
| 2013   | 591,318                     | 49                              | 590,582              |
| 2014   | 1,905,501                   | 16,422                          | 1,903,359            |
| 2015   | 1,346,157                   | 27,088                          | 1,334,651            |
| 2016   | 2,923,797                   | 2,807,925                       | 2,807,925            |
| <b>Total</b>   | <b>\$ 8,954,345</b>         | <b>\$ 2,851,509</b>             | <b>\$ 8,821,914</b>  |
| <b>COUNTY_OP_N EDDY COUNTY OPERATIONAL</b>               |                             |                                 |                      |
| 2007   | \$ 4,647,394                | \$ 1,141                        | \$ 4,634,950         |
| 2008   | 5,250,838                   | 8                               | 5,241,306            |
| 2009   | 6,612,731                   | 1,776                           | 6,604,228            |
| 2010   | 6,903,737                   | 2,314                           | 6,891,655            |
| 2011   | 7,191,573                   | 623                             | 7,182,717            |
| 2012   | 8,308,423                   | 1,095                           | 8,293,977            |
| 2013   | 8,923,068                   | 66                              | 8,909,063            |
| 2014   | 9,051,976                   | 50,885                          | 9,042,752            |
| 2015   | 9,664,748                   | 129,503                         | 9,636,766            |
| 2016   | 10,640,816                  | 10,410,450                      | 10,410,450           |
| <b>Total</b>   | <b>\$ 77,195,304</b>        | <b>\$ 10,597,861</b>            | <b>\$ 76,847,864</b> |
| <b>COUNTY_OP_R EDDY COUNTY OPERATIONAL</b>               |                             |                                 |                      |
| 2007   | \$ 2,378,302                | \$ -                            | \$ 2,378,302         |
| 2008   | 2,566,640                   | -                               | 2,566,632            |
| 2009   | 2,806,902                   | -                               | 2,806,880            |
| 2010   | 2,892,136                   | -                               | 2,892,111            |
| 2011   | 3,022,366                   | -                               | 3,022,323            |
| 2012   | 3,177,355                   | 191                             | 3,177,171            |
| 2013   | 3,323,848                   | 831                             | 3,322,467            |
| 2014   | 3,427,506                   | 45,211                          | 3,421,342            |
| 2015   | 3,561,979                   | 108,971                         | 3,504,154            |
| 2016   | 3,666,154                   | 3,465,182                       | 3,465,182            |
| <b>Total</b>   | <b>\$ 30,823,188</b>        | <b>\$ 3,620,386</b>             | <b>\$ 30,556,564</b> |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment    | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|---------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ -                   | \$ -          | \$ -                               | \$ -                                |
| -                                 | -                      | -             | -                                  | -                                   |
| -                                 | -                      | -             | -                                  | -                                   |
| -                                 | -                      | -             | -                                  | -                                   |
| 25                                | 2,183,680              | -             | -                                  | 2,175                               |
| 49                                | 590,034                | -             | -                                  | 735                                 |
| 11,675                            | 1,897,953              | 4             | 4                                  | 2,138                               |
| 26,163                            | 1,331,683              | 8             | 8                                  | 11,499                              |
| 2,776,532                         | 2,723,635              | -             | -                                  | 115,872                             |
| <b>\$ 2,814,444</b>               | <b>\$ 8,726,985</b>    | <b>\$ 12</b>  | <b>\$ 12</b>                       | <b>\$ 132,419</b>                   |
| \$ 1,141                          | \$ 4,624,095           | \$ -          | \$ -                               | \$ 12,444                           |
| 8                                 | 5,235,753              | -             | -                                  | 9,532                               |
| 1,776                             | 6,599,443              | -             | -                                  | 8,503                               |
| 2,314                             | 6,885,720              | -             | -                                  | 12,082                              |
| 623                               | 7,176,330              | -             | -                                  | 8,856                               |
| 1,095                             | 8,283,359              | -             | -                                  | 14,446                              |
| 44                                | 8,901,404              | 134           | 134                                | 13,872                              |
| 46,916                            | 9,036,689              | 113           | 113                                | 9,111                               |
| 127,885                           | 9,629,208              | 15            | 15                                 | 27,967                              |
| 10,306,677                        | 10,184,354             | 1             | 1                                  | 230,365                             |
| <b>\$ 10,488,479</b>              | <b>\$ 76,556,355</b>   | <b>\$ 263</b> | <b>\$ 263</b>                      | <b>\$ 347,178</b>                   |
| \$ -                              | \$ 2,378,302           | \$ -          | \$ -                               | \$ -                                |
| -                                 | 2,566,632              | 8             | 8                                  | -                                   |
| -                                 | 2,806,880              | 22            | 22                                 | -                                   |
| -                                 | 2,892,110              | -             | -                                  | 26                                  |
| -                                 | 3,022,323              | -             | -                                  | 43                                  |
| 191                               | 3,177,171              | -             | -                                  | 185                                 |
| 831                               | 3,321,847              | 6             | 6                                  | 1,374                               |
| 27,516                            | 3,401,148              | 38            | 38                                 | 6,126                               |
| 103,356                           | 3,488,764              | 71            | 71                                 | 57,753                              |
| 3,397,015                         | 3,323,017              | 153           | 153                                | 200,819                             |
| <b>\$ 3,528,909</b>               | <b>\$ 30,378,194</b>   | <b>\$ 298</b> | <b>\$ 298</b>                      | <b>\$ 266,326</b>                   |

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

| Agency  | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date |
|---|-----------------------------|---------------------------------|----------------------|
| <b>HOPE_ART_GEN_HOS ARTESIA GENERAL HOSPITAL-HOPE-RES</b> |                             |                                 |                      |
| 2007  | \$ 2,084                    | \$ -                            | \$ 2,084             |
| 2008  | 5,459                       | -                               | 5,459                |
| 2009  | 5,415                       | -                               | 5,415                |
| 2010  | 4,552                       | -                               | 4,552                |
| 2011  | 6,357                       | -                               | 6,357                |
| 2012  | 7,163                       | -                               | 7,163                |
| 2013  | 7,369                       | 3                               | 7,369                |
| 2014  | 1,541                       | 10                              | 1,541                |
| 2015  | 1,599                       | 17                              | 1,588                |
| 2016  | 1,664                       | 1,442                           | 1,442                |
| <b>Total</b>  | <b>\$ 43,203</b>            | <b>\$ 1,472</b>                 | <b>\$ 42,970</b>     |
| <b>HOPE_MUN_N HOPE MUNICIPAL OPERATIONAL</b>              |                             |                                 |                      |
| 2007  | \$ 2,682                    | \$ -                            | \$ 2,682             |
| 2008  | 11,190                      | -                               | 11,190               |
| 2009  | 10,652                      | -                               | 10,652               |
| 2010  | 8,001                       | -                               | 8,001                |
| 2011  | 12,279                      | -                               | 12,279               |
| 2012  | 14,132                      | -                               | 14,132               |
| 2013  | 16,482                      | 8                               | 16,482               |
| 2014  | 19,995                      | 13                              | 19,988               |
| 2015  | 23,821                      | 20                              | 23,807               |
| 2016  | 23,545                      | 23,410                          | 23,410               |
| <b>Total</b>  | <b>\$ 142,779</b>           | <b>\$ 23,451</b>                | <b>\$ 142,623</b>    |
| <b>HOPE_MUN_N HOPE MUNICIPAL OPERATIONAL</b>              |                             |                                 |                      |
| 2007  | \$ 1,897                    | \$ -                            | \$ 1,897             |
| 2008  | 1,988                       | -                               | 1,988                |
| 2009  | 2,148                       | -                               | 2,148                |
| 2010  | 2,168                       | -                               | 2,168                |
| 2011  | 2,391                       | -                               | 2,391                |
| 2012  | 2,470                       | -                               | 2,470                |
| 2013  | 2,558                       | -                               | 2,558                |
| 2014  | 2,846                       | 18                              | 2,846                |
| 2015  | 2,882                       | 31                              | 2,862                |
| 2016  | 2,871                       | 2,488                           | 2,488                |
| <b>Total</b>  | <b>\$ 24,219</b>            | <b>\$ 2,537</b>                 | <b>\$ 23,816</b>     |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment  | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|-------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 2,084               | \$ -        | \$ -                               | \$ -                                |
| -                                 | 5,459                  | -           | -                                  | -                                   |
| -                                 | 5,415                  | -           | -                                  | -                                   |
| -                                 | 4,552                  | -           | -                                  | -                                   |
| -                                 | 6,357                  | -           | -                                  | -                                   |
| -                                 | 7,163                  | -           | -                                  | -                                   |
| 3                                 | 7,369                  | -           | -                                  | -                                   |
| 10                                | 1,541                  | -           | -                                  | -                                   |
| 17                                | 1,577                  | -           | -                                  | 11                                  |
| 1,372                             | 1,152                  | -           | -                                  | 222                                 |
| <b>\$ 1,402</b>                   | <b>\$ 42,669</b>       | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 233</b>                       |
| \$ -                              | \$ 2,682               | \$ -        | \$ -                               | \$ -                                |
| -                                 | 11,190                 | -           | -                                  | -                                   |
| -                                 | 10,652                 | -           | -                                  | -                                   |
| -                                 | 8,001                  | -           | -                                  | -                                   |
| -                                 | 12,279                 | -           | -                                  | -                                   |
| -                                 | 14,132                 | -           | -                                  | -                                   |
| 8                                 | 16,482                 | -           | -                                  | -                                   |
| 8                                 | 19,983                 | -           | -                                  | 7                                   |
| 12                                | 23,793                 | -           | -                                  | 13                                  |
| 23,375                            | 23,302                 | -           | -                                  | 136                                 |
| <b>\$ 23,403</b>                  | <b>\$ 142,496</b>      | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 156</b>                       |
| \$ -                              | \$ 1,897               | \$ -        | \$ -                               | \$ -                                |
| -                                 | 1,988                  | -           | -                                  | -                                   |
| -                                 | 2,148                  | -           | -                                  | -                                   |
| -                                 | 2,168                  | -           | -                                  | -                                   |
| -                                 | 2,391                  | -           | -                                  | -                                   |
| -                                 | 2,470                  | -           | -                                  | -                                   |
| -                                 | 2,558                  | -           | -                                  | -                                   |
| 18                                | 2,846                  | -           | -                                  | -                                   |
| 31                                | 2,842                  | -           | -                                  | 20                                  |
| 2,368                             | 1,989                  | -           | -                                  | 383                                 |
| <b>\$ 2,417</b>                   | <b>\$ 23,297</b>       | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 403</b>                       |

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

| Agency   | Property Taxes Levied | Collected In Current Year | Collected To Date |
|--|-----------------------|---------------------------|-------------------|
| <b>HOPE_MUN_R HOPE MUNICIPAL OPERATIONAL</b>         |                       |                           |                   |
| 2007   | \$ 175                | \$ -                      | \$ 175            |
| 2008   | 731                   | -                         | 731               |
| 2009   | 696                   | -                         | 696               |
| 2010   | 523                   | -                         | 523               |
| 2011   | 803                   | -                         | 803               |
| 2012   | 924                   | -                         | 924               |
| 2013   | 1,062                 | 1                         | 1,062             |
| 2014   | 1,283                 | 1                         | 1,283             |
| 2015   | 1,557                 | 1                         | 1,556             |
| 2016   | 1,518                 | 1,509                     | 1,509             |
| <b>Total</b>   | <b>\$ 9,272</b>       | <b>\$ 1,512</b>           | <b>\$ 9,262</b>   |
| <b>HOPE_R_OP HOPE SCHOOLS OPERATIONAL</b>            |                       |                           |                   |
| 2007   | \$ 147                | \$ -                      | \$ 147            |
| 2008   | 158                   | -                         | 158               |
| 2009   | 183                   | -                         | 183               |
| 2010   | 200                   | -                         | 201               |
| 2011   | 215                   | -                         | 215               |
| 2012   | 226                   | -                         | 226               |
| 2013   | 238                   | -                         | 238               |
| 2014   | 236                   | 1                         | 236               |
| 2015   | 246                   | 3                         | 244               |
| 2016   | 255                   | 221                       | 221               |
| <b>Total</b>   | <b>\$ 2,104</b>       | <b>\$ 225</b>             | <b>\$ 2,069</b>   |
| <b>HOPE_SD_CAP_IMPN HOPE SCH DIST CAP IMP-NONRES</b> |                       |                           |                   |
| 2007   | \$ 701                | \$ -                      | \$ 701            |
| 2008   | 2,926                 | -                         | 2,926             |
| 2009   | 2,785                 | -                         | 2,785             |
| 2010   | 2,092                 | -                         | 2,092             |
| 2011   | 3,210                 | -                         | 3,210             |
| 2012   | 3,694                 | -                         | 3,694             |
| 2013   | 4,246                 | 2                         | 4,246             |
| 2014   | 5,139                 | 3                         | 5,137             |
| 2015   | 6,228                 | 5                         | 6,224             |
| 2016   | 6,069                 | 6,035                     | 6,035             |
| <b>Total</b>   | <b>\$ 37,090</b>      | <b>\$ 6,045</b>           | <b>\$ 37,050</b>  |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment  | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|-------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 175                 | \$ -        | \$ -                               | \$ -                                |
| -                                 | 731                    | -           | -                                  | -                                   |
| -                                 | 696                    | -           | -                                  | -                                   |
| -                                 | 523                    | -           | -                                  | -                                   |
| -                                 | 803                    | -           | -                                  | -                                   |
| -                                 | 924                    | -           | -                                  | -                                   |
| -                                 | 1,062                  | -           | -                                  | -                                   |
| 1                                 | 1,283                  | -           | -                                  | -                                   |
| 1                                 | 1,555                  | -           | -                                  | 1                                   |
| 1,506                             | 1,502                  | -           | -                                  | 9                                   |
| <b>\$ 1,508</b>                   | <b>\$ 9,254</b>        | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 10</b>                        |
| \$ -                              | \$ 147                 | \$ -        | \$ -                               | \$ -                                |
| -                                 | 158                    | -           | -                                  | -                                   |
| -                                 | 183                    | -           | -                                  | -                                   |
| -                                 | 200                    | -           | -                                  | -                                   |
| -                                 | 215                    | -           | -                                  | -                                   |
| -                                 | 227                    | -           | -                                  | -                                   |
| -                                 | 238                    | -           | -                                  | -                                   |
| 1                                 | 236                    | -           | -                                  | -                                   |
| 3                                 | 242                    | -           | -                                  | 2                                   |
| 210                               | 177                    | -           | -                                  | 34                                  |
| <b>\$ 214</b>                     | <b>\$ 2,023</b>        | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 36</b>                        |
| \$ -                              | \$ 701                 | \$ -        | \$ -                               | \$ -                                |
| -                                 | 2,926                  | -           | -                                  | -                                   |
| -                                 | 2,785                  | -           | -                                  | -                                   |
| -                                 | 2,092                  | -           | -                                  | -                                   |
| -                                 | 3,210                  | -           | -                                  | -                                   |
| -                                 | 3,695                  | -           | -                                  | -                                   |
| 2                                 | 4,246                  | -           | -                                  | -                                   |
| 2                                 | 5,135                  | -           | -                                  | 2                                   |
| 3                                 | 6,220                  | -           | -                                  | 3                                   |
| 6,026                             | 6,007                  | -           | -                                  | 35                                  |
| <b>\$ 6,033</b>                   | <b>\$ 37,017</b>       | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 40</b>                        |

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

| Agency   | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date |
|--|-----------------------------|---------------------------------|----------------------|
| <b>HOPE_SD_DS HO</b>   |                             |                                 |                      |
| 2007   | \$ 485                      | \$ -                            | \$ 485               |
| 2008   | 1,285                       | -                               | 1,285                |
| 2009   | 852                         | -                               | 852                  |
| 2010   | 1,159                       | -                               | 1,159                |
| 2011   | 1,144                       | -                               | 1,144                |
| 2012   | -                           | -                               | -                    |
| 2013   | -                           | -                               | -                    |
| 2014   | -                           | -                               | -                    |
| 2015   | -                           | -                               | -                    |
| 2016   | -                           | -                               | -                    |
| <b>Total</b>   | <b>\$ 4,925</b>             | <b>\$ -</b>                     | <b>\$ 4,925</b>      |
| <b>HOP_ART_GEN_HOSN ARTESIA GENERAL HOSPITAL-HOPE-NONRES</b> |                             |                                 |                      |
| 2007   | \$ -                        | \$ -                            | \$ -                 |
| 2008   | -                           | -                               | -                    |
| 2009   | -                           | -                               | -                    |
| 2010   | -                           | -                               | -                    |
| 2011   | -                           | -                               | -                    |
| 2012   | -                           | -                               | -                    |
| 2013   | -                           | -                               | -                    |
| 2014   | 7,034                       | 5                               | 7,031                |
| 2015   | 8,407                       | 7                               | 8,403                |
| 2016   | 8,168                       | 8,121                           | 8,121                |
| <b>Total</b>   | <b>\$ 23,609</b>            | <b>\$ 8,133</b>                 | <b>\$ 23,555</b>     |

See independent auditors' report.



| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 485                 | \$ -       | \$ -                               | \$ -                                |
| -                                 | 1,285                  | -          | -                                  | -                                   |
| -                                 | 852                    | -          | -                                  | -                                   |
| -                                 | 1,159                  | -          | -                                  | -                                   |
| -                                 | 1,144                  | -          | -                                  | -                                   |
| -                                 | -                      | -          | -                                  | -                                   |
| -                                 | -                      | -          | -                                  | -                                   |
| -                                 | -                      | -          | -                                  | -                                   |
| -                                 | -                      | -          | -                                  | -                                   |
| -                                 | -                      | -          | -                                  | -                                   |
| \$ -                              | \$ 4,925               | \$ -       | \$ -                               | \$ -                                |
| \$ -                              | \$ -                   | \$ -       | \$ -                               | \$ -                                |
| -                                 | -                      | -          | -                                  | -                                   |
| -                                 | -                      | -          | -                                  | -                                   |
| -                                 | -                      | -          | -                                  | -                                   |
| -                                 | -                      | -          | -                                  | -                                   |
| -                                 | -                      | -          | -                                  | -                                   |
| 3                                 | 7,029                  | -          | -                                  | 2                                   |
| 5                                 | 8,398                  | -          | -                                  | 5                                   |
| 8,109                             | 8,084                  | -          | -                                  | 47                                  |
| \$ 8,117                          | \$ 23,511              | \$ -       | \$ -                               | \$ 54                               |

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

**Assessor Special Assessment**

| Agency   | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date |
|--|-----------------------------|---------------------------------|----------------------|
| <b>HOP_ART_GEN_HSPD ARTESIA GENERAL HOSPITAL DEBT-HOPE</b> |                             |                                 |                      |
| 2007   | \$ 1,832                    | \$ -                            | \$ 1,832             |
| 2008   | 3,319                       | -                               | 3,319                |
| 2009   | 3,293                       | -                               | 3,292                |
| 2010   | 2,772                       | -                               | 2,772                |
| 2011   | 2,403                       | -                               | 2,403                |
| 2012   | 2,712                       | -                               | 2,712                |
| 2013   | 3,922                       | 1                               | 3,922                |
| 2014   | 3,177                       | 5                               | 3,177                |
| 2015   | 6,533                       | 16                              | 6,523                |
| 2016   | 9,208                       | 8,941                           | 8,941                |
| <b>Total</b>   | <b>\$ 39,171</b>            | <b>\$ 8,963</b>                 | <b>\$ 38,893</b>     |
| <b>HOP_HB33_BLDG HOPE HB 33 SCH BLDG</b>                   |                             |                                 |                      |
| 2007   | \$ 2,988                    | \$ -                            | \$ 2,988             |
| 2008   | 7,814                       | -                               | 7,814                |
| 2009   | 8,173                       | -                               | 8,173                |
| 2010   | 6,427                       | -                               | 6,427                |
| 2011   | 9,451                       | -                               | 9,451                |
| 2012   | 11,938                      | -                               | 11,938               |
| 2013   | 13,646                      | 5                               | 13,646               |
| 2014   | 15,999                      | 27                              | 15,995               |
| 2015   | 18,676                      | 47                              | 18,646               |
| 2016   | 18,799                      | 18,255                          | 18,255               |
| <b>Total</b>   | <b>\$ 113,911</b>           | <b>\$ 18,334</b>                | <b>\$ 113,333</b>    |
| <b>HOP_SD_CAP_IMP HOPE SCH DIST CAP IMP-RES</b>            |                             |                                 |                      |
| 2007   | \$ 682                      | \$ -                            | \$ 682               |
| 2008   | 714                         | -                               | 714                  |
| 2009   | 823                         | -                               | 823                  |
| 2010   | 905                         | -                               | 905                  |
| 2011   | 972                         | -                               | 972                  |
| 2012   | 1,080                       | -                               | 1,080                |
| 2013   | 1,136                       | -                               | 1,136                |
| 2014   | 1,128                       | 7                               | 1,128                |
| 2015   | 1,170                       | 13                              | 1,162                |
| 2016   | 1,218                       | 1,055                           | 1,055                |
| <b>Total</b>   | <b>\$ 9,828</b>             | <b>\$ 1,075</b>                 | <b>\$ 9,657</b>      |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment  | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|-------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 1,832               | \$ -        | \$ -                               | \$ -                                |
| -                                 | 3,319                  | -           | -                                  | -                                   |
| -                                 | 3,293                  | -           | -                                  | -                                   |
| -                                 | 2,772                  | -           | -                                  | -                                   |
| -                                 | 2,403                  | -           | -                                  | -                                   |
| -                                 | 2,712                  | -           | -                                  | -                                   |
| 1                                 | 3,922                  | -           | -                                  | -                                   |
| 5                                 | 3,176                  | -           | -                                  | 1                                   |
| 15                                | 6,511                  | -           | -                                  | 11                                  |
| 8,860                             | 8,617                  | -           | -                                  | 266                                 |
| <b>\$ 8,881</b>                   | <b>\$ 38,557</b>       | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 278</b>                       |
| \$ -                              | \$ 2,988               | \$ -        | \$ -                               | \$ -                                |
| -                                 | 7,814                  | -           | -                                  | -                                   |
| -                                 | 8,173                  | -           | -                                  | -                                   |
| -                                 | 6,427                  | -           | -                                  | -                                   |
| -                                 | 9,451                  | -           | -                                  | -                                   |
| -                                 | 11,938                 | -           | -                                  | -                                   |
| 5                                 | 13,646                 | -           | -                                  | -                                   |
| 23                                | 15,991                 | -           | -                                  | 4                                   |
| 42                                | 18,615                 | -           | -                                  | 30                                  |
| 18,090                            | 17,592                 | -           | -                                  | 544                                 |
| <b>\$ 18,160</b>                  | <b>\$ 112,635</b>      | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 578</b>                       |
| \$ -                              | \$ 681                 | \$ -        | \$ -                               | \$ -                                |
| -                                 | 714                    | -           | -                                  | -                                   |
| -                                 | 823                    | -           | -                                  | -                                   |
| -                                 | 904                    | -           | -                                  | -                                   |
| -                                 | 972                    | -           | -                                  | -                                   |
| -                                 | 1,081                  | -           | -                                  | -                                   |
| -                                 | 1,136                  | -           | -                                  | -                                   |
| 7                                 | 1,128                  | -           | -                                  | -                                   |
| 13                                | 1,154                  | -           | -                                  | 8                                   |
| 1,004                             | 844                    | -           | -                                  | 163                                 |
| <b>\$ 1,024</b>                   | <b>\$ 9,437</b>        | <b>\$ -</b> | <b>\$ -</b>                        | <b>\$ 171</b>                       |

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**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

**Assessor Special Assessment**

| Agency   | Property Taxes Levied | Collected In Current Year | Collected To Date |
|--|-----------------------|---------------------------|-------------------|
| <b>LOVING_MUN_N LOVING MUNICIPAL OPERATIONAL</b> |                       |                           |                   |
| 2007   | \$ 3,551              | \$ -                      | \$ 3,551          |
| 2008   | 3,730                 | -                         | 3,730             |
| 2009   | 4,411                 | -                         | 4,411             |
| 2010   | 4,071                 | -                         | 4,071             |
| 2011   | 4,142                 | -                         | 4,142             |
| 2012   | 4,303                 | -                         | 4,302             |
| 2013   | 4,695                 | 1                         | 4,695             |
| 2014   | 4,403                 | 3                         | 4,402             |
| 2015   | 5,789                 | 43                        | 5,780             |
| 2016   | 8,614                 | 8,479                     | 8,479             |
| <b>Total</b>                                     | <b>\$ 47,709</b>      | <b>\$ 8,526</b>           | <b>\$ 47,563</b>  |
| <b>LOVING_MUN_R LOVING MUNICIPAL OPERATIONAL</b> |                       |                           |                   |
| 2007   | \$ 6,117              | \$ -                      | \$ 6,117          |
| 2008   | 6,538                 | -                         | 6,538             |
| 2009   | 7,678                 | -                         | 7,678             |
| 2010   | 7,830                 | -                         | 7,830             |
| 2011   | 8,413                 | -                         | 8,413             |
| 2012   | 8,879                 | -                         | 8,879             |
| 2013   | 9,043                 | 1                         | 9,043             |
| 2014   | 9,258                 | 135                       | 9,186             |
| 2015   | 9,458                 | 435                       | 9,149             |
| 2016   | 9,506                 | 8,641                     | 8,641             |
| <b>Total</b>                                     | <b>\$ 82,720</b>      | <b>\$ 9,212</b>           | <b>\$ 81,474</b>  |
| <b>LOVING_N_OP LOVING SCHOOLS OPERATIONAL</b>    |                       |                           |                   |
| 2007   | \$ 9,299              | \$ -                      | \$ 9,299          |
| 2008   | 10,520                | -                         | 10,474            |
| 2009   | 12,154                | -                         | 12,154            |
| 2010   | 9,976                 | -                         | 9,976             |
| 2011   | 10,896                | -                         | 10,896            |
| 2012   | 14,601                | 70                        | 14,601            |
| 2013   | 72,952                | -                         | 72,952            |
| 2014   | 15,487                | 37                        | 15,485            |
| 2015   | 15,186                | 206                       | 15,164            |
| 2016   | 20,250                | 20,160                    | 20,160            |
| <b>Total</b>                                     | <b>\$ 191,321</b>     | <b>\$ 20,473</b>          | <b>\$ 191,161</b> |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment   | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|--------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 3,551               | \$ -         | \$ -                               | \$ -                                |
| -                                 | 3,730                  | -            | -                                  | -                                   |
| -                                 | 4,411                  | -            | -                                  | -                                   |
| -                                 | 4,071                  | -            | -                                  | -                                   |
| -                                 | 4,142                  | -            | -                                  | -                                   |
| -                                 | 4,302                  | -            | -                                  | -                                   |
| 1                                 | 4,695                  | -            | -                                  | 1                                   |
| 1                                 | 4,400                  | -            | -                                  | 1                                   |
| 42                                | 5,775                  | -            | -                                  | 9                                   |
| 8,054                             | 7,981                  | -            | -                                  | 135                                 |
| <b>\$ 8,098</b>                   | <b>\$ 47,058</b>       | <b>\$ -</b>  | <b>\$ -</b>                        | <b>\$ 146</b>                       |
| \$ -                              | \$ 6,117               | \$ -         | \$ -                               | \$ -                                |
| -                                 | 6,538                  | -            | -                                  | -                                   |
| -                                 | 7,679                  | -            | -                                  | -                                   |
| -                                 | 7,830                  | -            | -                                  | -                                   |
| -                                 | 8,413                  | -            | -                                  | -                                   |
| -                                 | 8,879                  | -            | -                                  | -                                   |
| 1                                 | 9,043                  | -            | -                                  | -                                   |
| 37                                | 9,075                  | 4            | 4                                  | 67                                  |
| 407                               | 9,055                  | 6            | 6                                  | 303                                 |
| 8,401                             | 8,054                  | 14           | 14                                 | 852                                 |
| <b>\$ 8,846</b>                   | <b>\$ 80,683</b>       | <b>\$ 24</b> | <b>\$ 24</b>                       | <b>\$ 1,222</b>                     |
| \$ -                              | \$ 9,299               | \$ -         | \$ -                               | \$ -                                |
| -                                 | 10,474                 | -            | -                                  | 47                                  |
| -                                 | 12,154                 | -            | -                                  | -                                   |
| -                                 | 9,976                  | -            | -                                  | -                                   |
| -                                 | 10,896                 | -            | -                                  | -                                   |
| 70                                | 14,601                 | -            | -                                  | -                                   |
| 1                                 | 72,952                 | -            | -                                  | 1                                   |
| 21                                | 15,469                 | -            | -                                  | 1                                   |
| 205                               | 15,160                 | -            | -                                  | 22                                  |
| 20,000                            | 19,953                 | -            | -                                  | 89                                  |
| <b>\$ 20,297</b>                  | <b>\$ 190,934</b>      | <b>\$ -</b>  | <b>\$ -</b>                        | <b>\$ 160</b>                       |

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**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

**Assessor Special Assessment**

| Agency  | Property Taxes Levied | Collected In Current Year | Collected To Date   |
|---|-----------------------|---------------------------|---------------------|
| <b>LOVING_R_OP LOVING SCHOOLS OPERATIONAL</b>     |                       |                           |                     |
| 2007  | \$ 2,621              | \$ -                      | \$ 2,621            |
| 2008  | 2,779                 | -                         | 2,779               |
| 2009  | 3,128                 | -                         | 3,128               |
| 2010  | 3,305                 | -                         | 3,305               |
| 2011  | 3,529                 | -                         | 3,529               |
| 2012  | 3,687                 | -                         | 3,687               |
| 2013  | 3,886                 | -                         | 3,886               |
| 2014  | 4,027                 | 59                        | 3,994               |
| 2015  | 4,189                 | 177                       | 4,057               |
| 2016  | 4,217                 | 3,810                     | 3,810               |
| <b>Total</b>                                      | <b>\$ 35,368</b>      | <b>\$ 4,046</b>           | <b>\$ 34,796</b>    |
| <b>LOVING_SD_DS LOVING SCHOOL DIST DEBT SVC</b>   |                       |                           |                     |
| 2007  | \$ 56,562             | \$ -                      | \$ 56,562           |
| 2008  | 91,821                | -                         | 91,507              |
| 2009  | 112,296               | -                         | 112,296             |
| 2010  | 277,956               | -                         | 277,955             |
| 2011  | 128,072               | -                         | 128,072             |
| 2012  | 90,457                | 331                       | 90,457              |
| 2013  | 356,271               | 3                         | 356,269             |
| 2014  | 127,237               | 699                       | 126,967             |
| 2015  | 208,964               | 4,381                     | 207,039             |
| 2016  | 512,995               | 501,031                   | 501,031             |
| <b>Total</b>                                      | <b>\$ 1,962,631</b>   | <b>\$ 506,445</b>         | <b>\$ 1,948,155</b> |
| <b>LOV_SD_CAP_IMP LOVING SCH DIST CAP IMP-RES</b> |                       |                           |                     |
| 2007  | \$ 12,022             | \$ -                      | \$ 12,022           |
| 2008  | 12,380                | -                         | 12,380              |
| 2009  | 13,949                | -                         | 13,949              |
| 2010  | 14,756                | -                         | 14,756              |
| 2011  | 15,761                | -                         | 15,761              |
| 2012  | 16,464                | -                         | 16,464              |
| 2013  | 19,481                | 1                         | 19,481              |
| 2014  | 20,207                | 298                       | 20,040              |
| 2015  | 20,979                | 885                       | 20,319              |
| 2016  | 21,119                | 19,083                    | 19,083              |
| <b>Total</b>                                      | <b>\$ 167,118</b>     | <b>\$ 20,267</b>          | <b>\$ 164,255</b>   |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment    | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|---------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 2,621               | \$ -          | \$ -                               | \$ -                                |
| -                                 | 2,779                  | -             | -                                  | -                                   |
| -                                 | 3,128                  | -             | -                                  | -                                   |
| -                                 | 3,305                  | -             | -                                  | -                                   |
| -                                 | 3,529                  | -             | -                                  | -                                   |
| -                                 | 3,687                  | -             | -                                  | -                                   |
| 1                                 | 3,886                  | -             | -                                  | -                                   |
| 27                                | 3,947                  | 1             | 1                                  | 32                                  |
| 170                               | 4,025                  | 1             | 1                                  | 130                                 |
| 3,715                             | 3,554                  | 7             | 7                                  | 400                                 |
| <b>\$ 3,913</b>                   | <b>\$ 34,461</b>       | <b>\$ 9</b>   | <b>\$ 9</b>                        | <b>\$ 562</b>                       |
| \$ -                              | \$ 56,562              | \$ -          | \$ -                               | \$ -                                |
| -                                 | 91,507                 | -             | -                                  | 313                                 |
| -                                 | 112,296                | -             | -                                  | -                                   |
| -                                 | 277,955                | -             | -                                  | -                                   |
| -                                 | 128,072                | -             | -                                  | -                                   |
| 332                               | 90,457                 | -             | -                                  | 1                                   |
| 3                                 | 356,269                | -             | -                                  | 2                                   |
| 347                               | 126,499                | 8             | 9                                  | 262                                 |
| 4,290                             | 206,579                | 18            | 18                                 | 1,907                               |
| 495,427                           | 490,456                | 174           | 173                                | 11,791                              |
| <b>\$ 500,399</b>                 | <b>\$ 1,936,652</b>    | <b>\$ 200</b> | <b>\$ 200</b>                      | <b>\$ 14,276</b>                    |
| \$ -                              | \$ 12,022              | \$ -          | \$ -                               | \$ -                                |
| -                                 | 12,380                 | -             | -                                  | -                                   |
| -                                 | 13,949                 | -             | -                                  | -                                   |
| -                                 | 14,756                 | -             | -                                  | -                                   |
| -                                 | 15,761                 | -             | -                                  | -                                   |
| -                                 | 16,464                 | -             | -                                  | -                                   |
| 1                                 | 19,481                 | -             | -                                  | -                                   |
| 137                               | 19,806                 | 5             | 5                                  | 161                                 |
| 853                               | 20,156                 | 7             | 7                                  | 653                                 |
| 18,606                            | 17,801                 | 35            | 35                                 | 2,002                               |
| <b>\$ 19,597</b>                  | <b>\$ 162,576</b>      | <b>\$ 47</b>  | <b>\$ 47</b>                       | <b>\$ 2,816</b>                     |

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

**Assessor Special Assessment**

| Agency   | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date |
|--|-----------------------------|---------------------------------|----------------------|
| <b>LOV_SD_CAP_IMP_N LOVING SCH DIST CAP IMP-NONRES</b> |                             |                                 |                      |
| 2007   | \$ 37,572                   | \$ -                            | \$ 37,572            |
| 2008   | 42,080                      | -                               | 41,894               |
| 2009   | 48,615                      | -                               | 48,615               |
| 2010   | 39,905                      | -                               | 39,905               |
| 2011   | 43,585                      | -                               | 43,585               |
| 2012   | 58,404                      | 279                             | 58,403               |
| 2013   | 291,809                     | 1                               | 291,807              |
| 2014   | 61,946                      | 148                             | 61,942               |
| 2015   | 60,680                      | 824                             | 60,592               |
| 2016   | 80,910                      | 80,552                          | 80,552               |
| <b>Total</b>   | <b>\$ 765,506</b>           | <b>\$ 81,804</b>                | <b>\$ 764,867</b>    |
| <b>LOV_SD_ET_DS LOVING SCHOOL DIST ED TECH DEB SVC</b> |                             |                                 |                      |
| 2007   | \$ 28,492                   | \$ -                            | \$ 28,492            |
| 2008   | 16,229                      | -                               | 16,174               |
| 2009   | 8,729                       | -                               | 8,729                |
| 2010   | 20,202                      | -                               | 20,202               |
| 2011   | 14,331                      | -                               | 14,331               |
| 2012   | 16,720                      | 61                              | 16,720               |
| 2013   | 86,694                      | 1                               | 86,694               |
| 2014   | 35,006                      | 192                             | 34,931               |
| 2015   | 46,949                      | 984                             | 46,517               |
| 2016   | 91,796                      | 89,655                          | 89,655               |
| <b>Total</b>   | <b>\$ 365,148</b>           | <b>\$ 90,893</b>                | <b>\$ 362,445</b>    |
| <b>NMSU_CAR_BR_DS NMSU CARLSBAD BRANCH-DEBT SVC</b>    |                             |                                 |                      |
| 2007   | \$ -                        | \$ -                            | \$ -                 |
| 2008   | 260,839                     | -                               | 260,656              |
| 2009   | 318,936                     | -                               | 318,763              |
| 2010   | 314,747                     | -                               | 314,519              |
| 2011   | 326,623                     | -                               | 326,340              |
| 2012   | -                           | -                               | -                    |
| 2013   | -                           | -                               | -                    |
| 2014   | -                           | -                               | -                    |
| 2015   | 542,805                     | 10,922                          | 538,166              |
| 2016   | 182,055                     | 174,840                         | 174,840              |
| <b>Total</b>   | <b>\$ 1,946,005</b>         | <b>\$ 185,762</b>               | <b>\$ 1,933,284</b>  |

See independent auditors' report.



| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment   | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|--------------|------------------------------------|-------------------------------------|
| \$ -                              | \$ 37,572              | \$ -         | \$ -                               | \$ -                                |
| -                                 | 41,894                 | -            | -                                  | 186                                 |
| -                                 | 48,615                 | -            | -                                  | -                                   |
| -                                 | 39,905                 | -            | -                                  | -                                   |
| -                                 | 43,585                 | -            | -                                  | -                                   |
| 279                               | 58,404                 | -            | -                                  | 1                                   |
| 1                                 | 291,807                | -            | -                                  | 2                                   |
| 84                                | 61,878                 | -            | -                                  | 4                                   |
| 820                               | 60,576                 | -            | -                                  | 89                                  |
| 79,913                            | 79,723                 | -            | -                                  | 357                                 |
| <b>\$ 81,097</b>                  | <b>\$ 763,959</b>      | <b>\$ -</b>  | <b>\$ -</b>                        | <b>\$ 639</b>                       |
| \$ -                              | \$ 28,492              | \$ -         | \$ -                               | \$ -                                |
| -                                 | 16,174                 | -            | -                                  | 55                                  |
| -                                 | 8,729                  | -            | -                                  | -                                   |
| -                                 | 20,202                 | -            | -                                  | -                                   |
| -                                 | 14,331                 | -            | -                                  | -                                   |
| 61                                | 16,720                 | -            | -                                  | -                                   |
| 1                                 | 86,694                 | -            | -                                  | 1                                   |
| 95                                | 34,803                 | 2            | 2                                  | 72                                  |
| 964                               | 46,413                 | 4            | 4                                  | 428                                 |
| 88,652                            | 87,762                 | 31           | 31                                 | 2,110                               |
| <b>\$ 89,773</b>                  | <b>\$ 360,320</b>      | <b>\$ 37</b> | <b>\$ 37</b>                       | <b>\$ 2,666</b>                     |
| \$ -                              | \$ -                   | \$ -         | \$ -                               | \$ -                                |
| -                                 | 260,609                | 1            | 1                                  | 183                                 |
| -                                 | 318,671                | 1            | 1                                  | 171                                 |
| -                                 | 314,371                | -            | -                                  | 228                                 |
| -                                 | 326,136                | -            | -                                  | 282                                 |
| -                                 | -                      | -            | -                                  | -                                   |
| -                                 | -                      | -            | -                                  | -                                   |
| -                                 | -                      | -            | -                                  | -                                   |
| 10,550                            | 536,969                | 3            | 3                                  | 4,636                               |
| 172,885                           | 169,591                | -            | -                                  | 7,215                               |
| <b>\$ 183,435</b>                 | <b>\$ 1,926,347</b>    | <b>\$ 5</b>  | <b>\$ 5</b>                        | <b>\$ 12,715</b>                    |

See independent auditors' report.

**STATE OF NEW MEXICO**  
Eddy County  
Eddy County Treasurer Property Tax Schedule  
For the Year Ended June 30, 2017

**Assessor Special Assessment**

| Agency                                    | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date |
|---|-----------------------------|---------------------------------|----------------------|
| <b>NMSU_CAR_BR_N NMSU CARLSBAD BRANCH</b> |                             |                                 |                      |
| 2007                                      | \$ 343,341                  | \$ 152                          | \$ 342,876           |
| 2008                                      | 1,203,243                   | 3                               | 1,201,870            |
| 2009                                      | 1,586,590                   | -                               | 1,585,307            |
| 2010                                      | 1,502,188                   | -                               | 1,500,492            |
| 2011                                      | 1,541,604                   | -                               | 1,539,510            |
| 2012                                      | 1,877,456                   | -                               | 1,874,693            |
| 2013                                      | 1,693,737                   | 1                               | 1,690,864            |
| 2014                                      | 1,950,001                   | 10,782                          | 1,948,438            |
| 2015                                      | 2,075,937                   | 28,745                          | 2,068,833            |
| 2016                                      | 2,374,954                   | 2,304,372                       | 2,304,372            |
| <b>Total</b>                              | <b>\$ 16,149,051</b>        | <b>\$ 2,344,055</b>             | <b>\$ 16,057,255</b> |
| <b>NMSU_CAR_BR_R NMSU CARLSBAD BRANCH</b> |                             |                                 |                      |
| 2007                                      | \$ 227,567                  | \$ -                            | \$ 227,567           |
| 2008                                      | 750,292                     | -                               | 750,288              |
| 2009                                      | 805,428                     | -                               | 805,419              |
| 2010                                      | 826,939                     | -                               | 826,927              |
| 2011                                      | 862,056                     | -                               | 862,037              |
| 2012                                      | 903,003                     | 31                              | 902,958              |
| 2013                                      | 943,343                     | 209                             | 942,879              |
| 2014                                      | 972,464                     | 13,719                          | 970,812              |
| 2015                                      | 1,009,423                   | 31,656                          | 991,529              |
| 2016                                      | 1,042,453                   | 981,761                         | 981,761              |
| <b>Total</b>                              | <b>\$ 8,342,968</b>         | <b>\$ 1,027,376</b>             | <b>\$ 8,262,177</b>  |
| <b>STATE_NM STATE DEBT SERVICE</b>        |                             |                                 |                      |
| 2007                                      | \$ 1,196,715                | \$ 186                          | \$ 1,194,689         |
| 2008                                      | 1,346,325                   | 1                               | 1,344,735            |
| 2009                                      | 1,485,735                   | 272                             | 1,484,427            |
| 2010                                      | 2,080,135                   | 472                             | 2,077,665            |
| 2011                                      | 1,940,365                   | 113                             | 1,938,748            |
| 2012                                      | 2,171,394                   | 239                             | 2,168,736            |
| 2013                                      | 2,329,145                   | 190                             | 2,326,310            |
| 2014                                      | 2,402,844                   | 19,271                          | 2,399,802            |
| 2015                                      | 2,562,759                   | 48,270                          | 2,544,532            |
| 2016                                      | 2,808,842                   | 2,718,952                       | 2,718,952            |
| <b>Total</b>                              | <b>\$ 20,324,259</b>        | <b>\$ 2,787,966</b>             | <b>\$ 20,198,596</b> |

See independent auditors' report.

| Distributed<br>In Current<br>Year | Distributed<br>To Date | Adjustment    | To-Date<br>Amount<br>Uncollectible | County<br>Receivable<br>at Year End |
|-----------------------------------|------------------------|---------------|------------------------------------|-------------------------------------|
| \$ 152                            | \$ 342,620             | \$ -          | \$ -                               | \$ 465                              |
| 3                                 | 1,201,521              | -             | -                                  | 1,373                               |
| -                                 | 1,584,610              | -             | -                                  | 1,283                               |
| -                                 | 1,499,376              | -             | -                                  | 1,696                               |
| -                                 | 1,537,975              | -             | -                                  | 2,094                               |
| -                                 | 1,872,475              | -             | -                                  | 2,762                               |
| 1                                 | 1,688,643              | -             | -                                  | 2,873                               |
| 9,810                             | 1,947,437              | -             | -                                  | 1,563                               |
| 28,297                            | 2,067,246              | 6             | 6                                  | 7,098                               |
| 2,287,850                         | 2,248,762              | -             | -                                  | 70,583                              |
| <b>\$ 2,326,113</b>               | <b>\$ 15,990,665</b>   | <b>\$ 6</b>   | <b>\$ 6</b>                        | <b>\$ 91,790</b>                    |
| \$ -                              | \$ 227,567             | \$ -          | \$ -                               | \$ -                                |
| -                                 | 750,288                | 4             | 4                                  | -                                   |
| -                                 | 805,419                | 10            | 10                                 | -                                   |
| -                                 | 826,927                | -             | -                                  | 11                                  |
| -                                 | 862,037                | -             | -                                  | 19                                  |
| 31                                | 902,957                | -             | -                                  | 46                                  |
| 209                               | 942,608                | -             | -                                  | 464                                 |
| 7,854                             | 964,038                | 6             | 6                                  | 1,645                               |
| 30,110                            | 986,701                | 11            | 11                                 | 17,883                              |
| 963,174                           | 941,121                | -             | -                                  | 60,693                              |
| <b>\$ 1,001,378</b>               | <b>\$ 8,209,663</b>    | <b>\$ 31</b>  | <b>\$ 31</b>                       | <b>\$ 80,761</b>                    |
| \$ 186                            | \$ 1,192,922           | \$ -          | \$ -                               | \$ 2,026                            |
| 1                                 | 1,343,809              | 1             | 1                                  | 1,589                               |
| 272                               | 1,483,694              | 4             | 4                                  | 1,304                               |
| 472                               | 2,076,454              | -             | -                                  | 2,471                               |
| 113                               | 1,937,588              | -             | -                                  | 1,617                               |
| 239                               | 2,166,811              | -             | -                                  | 2,658                               |
| 186                               | 2,324,788              | 25            | 25                                 | 2,809                               |
| 14,620                            | 2,394,217              | 29            | 29                                 | 3,013                               |
| 46,699                            | 2,539,660              | 19            | 19                                 | 18,208                              |
| 2,683,808                         | 2,643,901              | 37            | 37                                 | 89,853                              |
| <b>\$ 2,746,596</b>               | <b>\$ 20,103,844</b>   | <b>\$ 115</b> | <b>\$ 115</b>                      | <b>\$ 125,548</b>                   |

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Eddy County  
 Eddy County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2017

**Assessor Special Assessment**

| Agency              | Property<br>Taxes<br>Levied | Collected<br>In Current<br>Year | Collected<br>To Date  |
|---------------------|-----------------------------|---------------------------------|-----------------------|
| <b>GRAND TOTALS</b> | <b>\$ 336,451,496</b>       | <b>\$ 49,202,152</b>            | <b>\$ 334,182,588</b> |
| 2007                | \$ 20,533,025               | \$ 2,361                        | \$ 20,499,521         |
| 2008                | 23,589,751                  | 18                              | 23,564,704            |
| 2009                | 27,613,687                  | 5,004                           | 27,591,089            |
| 2010                | 30,072,933                  | 6,589                           | 30,039,967            |
| 2011                | 30,604,646                  | 1,888                           | 30,581,753            |
| 2012                | 33,592,708                  | 2,783                           | 33,554,946            |
| 2013                | 35,333,164                  | 2,918                           | 35,292,408            |
| 2014                | 39,997,971                  | 316,930                         | 39,949,083            |
| 2015                | 45,438,122                  | 855,514                         | 45,100,975            |
| 2016                | 49,675,486                  | 48,008,143                      | 48,008,144            |
|                     | <b>\$ 336,451,496</b>       | <b>\$ 49,202,152</b>            | <b>\$ 334,182,588</b> |

See independent auditors' report.

| <b>Distributed<br/>In Current<br/>Year</b> | <b>Distributed<br/>To Date</b> | <b>Adjustment</b> | <b>To-Date<br/>Amount<br/>Uncollectible</b> | <b>County<br/>Receivable<br/>at Year End</b> |
|--|--------------------------------|-------------------|---|--|
| <b>\$ 48,461,337</b>                       | <b>\$ 332,552,270</b>          | <b>\$ 2,027</b>   | <b>\$ 2,027</b>                             | <b>\$ 2,266,882</b>                          |
| \$ 2,361                                   | \$ 20,469,501                  | \$ -              | \$ -  | \$ 33,505                                    |
| 19   | 23,549,451                     | 21                | 21  | 25,029                                       |
| 5,005                                      | 27,578,474                     | 55                | 55  | 22,542                                       |
| 6,589                                      | 30,024,212                     | -                 | -   | 32,964                                       |
| 1,887                                      | 30,565,523                     | -                 | -   | 22,890                                       |
| 2,785                                      | 33,527,996                     | -                 | -   | 37,762                                       |
| 2,859                                      | 35,272,320                     | 519               | 519   | 40,241                                       |
| 235,816                                    | 39,855,028                     | 555               | 556   | 48,328                                       |
| 826,500                                    | 45,027,633                     | 282               | 282   | 336,866                                      |
| 47,377,517                                 | 46,682,132                     | 591               | 591   | 1,666,755                                    |
| <b>\$ 48,461,337</b>                       | <b>\$ 332,552,270</b>          | <b>\$ 2,027</b>   | <b>\$ 2,027</b>                             | <b>\$ 2,266,882</b>                          |

See independent auditors' report.

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## **COMPLIANCE SECTION**



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

**INDEPENDENT AUDITORS' REPORT**

Timothy Keller  
New Mexico State Auditor  
The Office of Management and Budget and  
Eddy County Commissioners  
Eddy County  
Carlsbad, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the General Fund and major special revenue fund of Eddy County (the "County"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 27, 2017.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as FS 2017-001 and CU FS 2017-001 that we consider to be material weaknesses.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

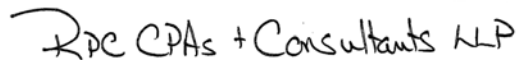
We noted a matter that is required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of Section 12-6-5 NMSA 1978 Findings as item NM 2017-002.

## **County's Responses to Findings**

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



RPC CPAs + Consultants, LLP  
Albuquerque, NM  
November 27, 2017

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**FEDERAL FINANCIAL ASSISTANCE**



**REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITORS' REPORT**

Timothy Keller  
New Mexico State Auditor  
The Office of Management and Budget and  
Eddy County Commissioners  
Eddy County  
Carlsbad, New Mexico

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

We have audited Eddy County's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2017. The County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

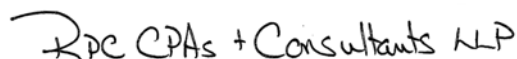
## Report on Internal Control Over Compliance

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

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

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

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



RPC CPAs + Consultants, LLP  
Albuquerque, NM  
November 27, 2017

**STATE OF NEW MEXICO**  
Eddy County  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

| <u>Federal Grantor/Passthrough<br/>Grantor/Program Title</u>   | <u>Grant/Pass-Through<br/>Number</u> | <u>Federal<br/>CFDA<br/>Number</u> | <u>Federal<br/>Expenditures</u> |
|--|--------------------------------------|------------------------------------|---------------------------------|
| <b>U.S. Department of Agriculture</b>  |                                      |                                    |                                 |
| <i>Passed through the State of New Mexico</i>  |                                      |                                    |                                 |
| Forest Service Schools and Roads Cluster   |                                      |                                    |                                 |
| Grants to States (1)   | Forest Reserve Title I               | 10.665                             | \$ 4,997                        |
| Grants to Counties (1)   | National Grasslands                  | 10.666                             | 838                             |
| Total Forest Service Schools and Roads Cluster   |                                      |                                    | <u>5,835</u>                    |
| <b>Total U.S. Department of Agriculture</b>  |                                      |                                    | <u>5,835</u>                    |
| <b>Department of Energy</b>  |                                      |                                    |                                 |
| <i>Passed through the New Mexico Energy, Minerals and Natural Resources Department</i>                             |                                      |                                    |                                 |
| Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions |                                      |                                    |                                 |
|  | DE-FC29-88AL53813                    | 81.106                             | <u>439,938</u>                  |
| <b>Total Department of Energy</b>  |                                      |                                    | <u>439,938</u>                  |
| <b>Department of Health and Human Services</b>   |                                      |                                    |                                 |
| <i>Passed through the New Mexico Department of Health</i>  |                                      |                                    |                                 |
| Public Health Emergency Preparedness   | 1 NU90TP921865-01-00                 | 93.069                             | <u>2,500</u>                    |
| <b>Total Department of Health and Human Services</b>   |                                      |                                    | <u>2,500</u>                    |
| <b>Executive Office of the President</b>   |                                      |                                    |                                 |
| <i>Passed through Lea County</i>   |                                      |                                    |                                 |
| High-Intensity Drug Trafficking Areas (HIDTA)  | GS15SN0017A/G16SN0017A               | 95.001                             | <u>547,259</u>                  |
| <b>Total Executive Office of the President</b>   |                                      |                                    | <u>547,259</u>                  |
| <b>Department of Homeland Security</b>   |                                      |                                    |                                 |
| <i>Passed through the New Mexico Department of Homeland Security and Emergency Management</i>                      |                                      |                                    |                                 |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters)  |                                      |                                    |                                 |
|  | 4199-DR-NM                           | 97.036                             | * <u>24,030,069</u>             |
| <b>Total Department of Homeland Security</b>   |                                      |                                    | <u>24,030,069</u>               |
| <i>Total Federal Financial Assistance</i>  |                                      |                                    | <u><u>\$ 25,025,601</u></u>     |

\* Major Program  
( ) Denotes Cluster

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

| <u>Funds<br/>Provided to<br/>Subrecipients</u> | <u>Noncash<br/>Assistance</u> |
|--|-------------------------------|
| \$ -   | \$ -                          |
| -  | -                             |
| -  | -                             |
| -  | -                             |
| -  | -                             |
| -  | -                             |
| -  | -                             |
| -  | -                             |
| -  | -                             |
| -  | -                             |
| -  | -                             |
| -  | -                             |
| -  | -                             |
| -  | -                             |
| -  | -                             |
| -  | -                             |
| <u>\$ -</u>                                    | <u>\$ -</u>                   |

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

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**Notes to Schedule of Expenditures of Federal Awards**

1. **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Socorro County, New Mexico (County) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. **Loans**

The County did not expend federal awards related to loans or loan guarantees during the year.

3. **10% de minimus Indirect Cost Rate**

The County did not elect to use the allowed 10% indirect cost rate.

4. **Federally Funded Insurance**

The County has no federally funded insurance.

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

|  |                             |
|--|-----------------------------|
| Total federal awards expended per Schedule of Expenditures of Federal Awards | \$ 25,025,601               |
| Total expenditures funded by other sources                                   | <u>64,281,419</u>           |
| <i>Total expenditures</i>  | <u><u>\$ 89,307,020</u></u> |

See independent auditors' report.

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**STATE OF NEW MEXICO**  
 Eddy County  
 Schedule of Findings and Questioned Costs  
 June 30, 2017

**Section I – Summary of Auditors’ Results:**

*Financial Statements:*

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

*Federal Awards:*

- |   |                                     |                 |        |                                     |  |
|---|-------------------------------------|-----------------|--------|-------------------------------------|--|
| 1. Type of auditors’ report issued on compliance for major programs   | Unmodified                          |                 |        |                                     |  |
| 2. Internal control over major programs:  |                                     |                 |        |                                     |  |
| a. Material weaknesses identified?  | None noted                          |                 |        |                                     |  |
| b. Significant deficiencies identified not considered to be material weaknesses?  | None noted                          |                 |        |                                     |  |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)?  | None noted                          |                 |        |                                     |  |
| 4. Identification of major programs:  |                                     |                 |        |                                     |  |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">CFDA<br/>Number</td> <td style="width: 50%; text-align: center;">Federal Program</td> </tr> <tr> <td style="text-align: center;">97.036</td> <td style="text-align: center;">Disaster Grants – Public Assistance</td> </tr> </table> | CFDA<br>Number                      | Federal Program | 97.036 | Disaster Grants – Public Assistance |  |
| CFDA<br>Number  | Federal Program                     |                 |        |                                     |  |
| 97.036  | Disaster Grants – Public Assistance |                 |        |                                     |  |
| 5. Dollar threshold used to distinguish between type A and type B programs:   | \$750,768                           |                 |        |                                     |  |
| 6. Auditee qualified as low-risk auditee?   | No                                  |                 |        |                                     |  |

**Section II – Financial Statement Findings**

**FS 2017-001 – Incorrect Accounts Receivable Balance– Material Weakness**

*Condition:* The receivable for Oil and Gas Production taxes was not recorded by the County at June 30, 2017. The total amount of revenue that was earned prior to year-end and received within the period of availability totaled \$2,203,215.

*Criteria:* Generally Accepted Accounting Principles (GAAP) as applied to governmental entities state that revenue is to be recorded when earned. At the modified accrual level, the revenues must also be available to finance expenditures of the current period to be considered earned.

*Effect:* As provided by the County, receivables and revenues were materially understated.

*Cause:* Management did not correctly identify items as accounts receivable at year-end.

*Auditors' Recommendation:* The County should review all receipts received after the balance sheet date to prepare an accurate and complete listing of accounts receivable, including all taxes within the period in which the revenues were earned.

*Views of Responsible Officials and Planned Corrective Actions:* This issue was resolved on November 28, 2017 when it was brought to the Treasurer's attention. When the Treasurer's office was putting together the Accounts Receivable listing, a miscellaneous receipt report was run from the Tyler Eagle system that excluded tax receipts as these were not needed. However, the Treasurer was unaware that Oil and Gas receipts are not miscellaneous receipts in the Tyler Eagle system as they relate to tax and were therefore not pulled in to the miscellaneous receipt report. This correction has been made for future reporting.

**Section III – Federal Award Findings**

None noted

**Section IV – Section 12-6-5 NMSA 1978 Findings**

**NM 2017-002 – Incorrect Reporting of Census Data to PERA– Other Noncompliance**

*Condition:* In 1 out of 8 employees tested who were hired during the 2015-2016 fiscal year, the birth year reported to PERA was 1974. Employee's actual birth year was 1978.

*Criteria:* According to the Public Employees Retirement Association of New Mexico (PERA) website, contributing employers must submit an Employer Reporting File through PERA's RIO system every pay period, and this information includes details of each employee including addresses and social security numbers. The birth date field is only reported for new hires and is reported under the format MMDDYYYY. PERA members are eligible to retire when they meet the age and service credit requirement for the plan they participate in.

*Effect:* Census data such as age and hire date are used by retirement associations such as PERA to determine when a member is eligible to retire and how much their monthly pension benefit will be. Reporting incorrect census data such as a member's birth date could result in overstated or understated pension benefits for the employee.

*Cause:* At the time of this employee's hire, their birth year was incorrectly reported into RIO's Employer Reporting File. Review of the employee's personnel file indicated that the employee's application for PERA and copy of their driver's license all had a birth year of 1978. The Employer Reporting File at the time of this employee's hire reported a birth year of 1974.

*Auditors' Recommendation:* The Human Resources department should employ a checks and balances system for importing new information to PERA's RIO system. Any changes to the Employer Reporting File, such as new hires, pay raises, new positions, terminations, etc. should be reviewed and approved by the Human Resources Director before submitting to the RIO system to ensure the information is reported correctly.

*Views of Responsible Officials and Planned Corrective Actions:* This specific error was due to a financial conversion from one software to another. Information in the previous financial system (Triadic) had to be hand keyed into the new financial system (Munis). By doing so, this error was made. Since then, the county has converted to another financial system (Tyler Incode) in January 2016 which all information was converted through the software (not hand keyed). This was a one-time issue as the human resources department uploads the PERA form to PERA RIO that the employee fills out themselves. That same information is entered into the financial system by the HR specialists. That form along with the rest of the paperwork they fill out is double checked by the assistant human resources director. The same paperwork then goes down to payroll where the payroll specialist checks all maintenance against the financial system. This finding was resolved in September 2017 when the auditors found this error. It was corrected in the County's financial system by the Assistant Human Resources Director that same day as the birthdate was incorrect in the Tyler Incode system, not the PERA RIO system.

**Section V – Component Unit Findings**

**CU FS 2017-001 – Improper Adjustments made to Trial Balance – Material Weakness**

*Condition:* The Trial Balance information provided by the Authority for the year ended June 30, 2017 contained the following:

- The trial balance did not agree to the prior year and required multiple adjustments in the amount of \$2,170,883 in order to roll to the prior year’s ending balance.
- The actual cash basis budgeted expenditures in the General Fund exceeded approved budgetary authority by \$7,763.

*Criteria:* The *Codification of Statements of Auditing Standards* AU Section 110.03 states that “management is responsible for adopting sound accounting policies and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management’s assertions embodied in the financial statements. The entity’s transactions and the related assets, liabilities, and equity are within the direct knowledge and control of management.” In addition, a budget is a proposed plan of financial operations for a given period of time. The annual budget authorizes and provides the basis for control of financial operations during the fiscal year. Section 6-6-6, NMSA 1978 states, “when any budget for a local public body has been approved and received by a local public body, it is binding upon all officials and governing authorities, and no governing authority or official shall allow or approve claims in excess thereof, and no official shall pay any check or warrant in excess thereof, and the allowances or claims or checks or warrants so allowed or paid shall be a liability against the officials so allowing or paying those claims or checks or warrants, and recovery for the excess amounts so allowed or paid may be had against the bondsmen of those officials.”

*Effect:* Fund balance did not roll properly into the current year, resulting in overstated equity and the cash basis General Fund expenditures exceeded the adjust budget of the Authority.

*Cause:* The Authority is closing out activity on the accrual basis every month and not on the cash basis. This required the auditor to propose journal entries in order to obtain proper cash basis account balances for the Authority which agree to current year activity as well as to the beginning equity balance. The amount for the budget was missed on the final approval.

*Auditors’ Recommendation:* The Authority’s monthly financial package should be presented on a cash basis to ensure budgetary accuracy as well as not close out cash or accrual activity into fund balance. The budget adjustments should be made in order to monitor cash basis activity and any adjustments to fund balance should be properly supported by appropriate documentation.

*Views of Responsible Officials and Planned Corrective Actions:* The Authority, in communication with the accountant, will submit cash basis budget-to-actuals each month for Executive Board approval. All expenditures above the original approved budget will be done no less frequently than quarterly and the final year-end budget will reflect all approvals and adjustments to budget. All reports will be done on cash basis, not accrual basis and the year-end financial statement will balance with the year-end budget submitted to DFA. In addition, the Authority will maintain support for any journal entries recorded for adjustment to fund balance.

**STATE OF NEW MEXICO**  
Eddy County  
Schedule of Findings and Questioned Costs  
June 30, 2017

Schedule IX  
Page 5 of 5

**Section VI – Summary of Prior Year Audit Findings**

**Financial Statement Findings**

FS 2016-001 Unauthorized Charges to P-Card – Resolved

FS 2016-002 Lack of Board of County Commissioner Approval for Travel – Resolved

FS 2016-003 Lack of Inventory List for Items Purchased with State Fire Funds – Resolved

FS 2016-004 Misplacement of Bond Money at the Detention Center – Resolved

**Component Unit Findings**

CU FS 2015-001 Overstated Employee Timesheet – Resolved

CU FS 2016-001 Expenditures in Excess of Budget – Repeated and Modified Combined with CU FS 2017-001

CU FS 2016-002 Notification of Fixed Asset Disposals – Resolved

CU FS 2016-003 Pay Rate Change Forms Not Signed – Resolved

CU FS 2016-004 Additional Accrued Sick and Vacation Leave – Resolved

CU FS 2016-005 Duplicated Invoice - Resolved

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**STATE OF NEW MEXICO**

Eddy County  
Other Disclosures  
June 30, 2017

**Exit Conference**

The contents of this report were discussed on November 28, 2017. The following individuals were in attendance:

**Representing Eddy County**

Stella Davis, Commissioner Chair  
Susan Crockett, Commissioner Vice-Chair  
Rick Rudometkin, County Manager  
Roberta Smith, Finance Director  
Kenney Rayroux, Assistant County Manager

**Representing Regional Emergency Dispatch Authority:**

Rick Rudometkin, REDA Chairman  
Robbie McCormick, REDA Executive Director  
Bambi Kern, REDA Operations Manager  
Chris Simons, CPA, CFP, CLU, REDA Accountant

**Representing RPC CPAs + Consultants, LLP**

Alan D. Bowers, Jr., CPA, Partner

**Auditor Prepared Financials**

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