

STATE OF NEW MEXICO
HARDING COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016



STATE OF NEW MEXICO
HARDING COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016
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STATE OF NEW MEXICO
HARDING COUNTY
OFFICIAL ROSTER
JUNE 30, 2016

<u>Name</u>		<u>Title</u>
<u>Name</u>		<u>Title</u>
	Board of County Commissioners	
<u>Rebecca K. Smith</u>		<u>Chairperson</u>
<u>Harold R. Mackey</u>		<u>Vice-Chairman</u>
<u>Robert E. Aragon</u>		<u>Member</u>
	Elected Officials	
<u>Barbara L. Shaw</u>		<u>County Clerk</u>
<u>Felicia A. Esquibel</u>		<u>Treasurer</u>
	Administrative Officials	
<u>Evangeline Garrison</u>		<u>Finance Director</u>
<u>Christine Trujillo</u>		<u>Chief County Treasurer</u>
<u>Carla J. Garrison</u>		<u>Chief Deputy Clerk</u>

INTRODUCTORY SECTION

FINANCIAL SECTION



Griego Professional Services, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Tim Keller, New Mexico State Auditor
The Office of Management and Budget
The Board of Harding County Commissioners
Harding County
Mosquero, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue fund of Harding County, New Mexico (the County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each for the County's nonmajor governmental funds, fiduciary funds and the budgetary comparisons for the major capital and debt service funds, and all nonmajor funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion on Capital Assets

Management has not fully recognized and certified capital asset records. We were unable to verify sufficient appropriate audit evidence regarding amount of historical assets as well as related accumulated depreciation. The amounts by which property and equipment, accumulated depreciation and depreciation would affect the accompanying Governmental Activities financial statements have not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Modified Opinion on Capital Assets" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2016, 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

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability and Schedule of County's Contributions be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

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

Other Information

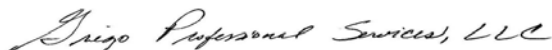
Our audit was conducted for the purpose of forming opinions on the County's financial statements, and the combining and individual fund financial statements and budgetary comparisons. The schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other schedules 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, schedules 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 Schedule of Vendors 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 January 9, 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 *Governmental Auditing Standards* in considering the County's internal control over financial reporting and compliance.

GRIEGO PROFESSIONAL SERVICES, LLC



Albuquerque, New Mexico

January 9, 2017

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
HARDING COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2016

Exhibit A-1

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,693,328
Accounts receivable:	
Taxes	983,899
Intergovernmental	42,305
Noncurrent assets:	
Capital assets (Note 6)	5,818,070
Deferred outflows	15,715
 <i>Total assets</i>	 11,553,317
LIABILITIES	
Accounts payable	57,430
Accrued payroll	38,956
Accrued interest	380
Noncurrent liabilities:	
Pension liability	838,061
Due within one year (Note 7)	43,271
Due within more than one year (Note 7)	124,172
 <i>Total liabilities</i>	 1,102,270
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow - pension	51,143
Deferred revenue	117,996
NET POSITION	
Net investment in capital assets	5,654,207
Restricted for:	
Debt service	-
Capital projects	2,472,115
Special revenue funds	1,545,201
Unrestricted	610,385
 <i>Total net position</i>	 \$ 10,281,908

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
HARDING COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
<i>Governmental activities:</i>				
General government	1,452,675	\$ 20,146	\$ 891,094	\$ -
Public safety	521,725	34,276	297,411	-
Culture and recreation	104,705	54	101,450	-
Health and welfare	156,530	-	25,234	-
Public works	222,617	-	2,442	-
Interest and other charges	2,797	-	-	-
<i>Total governmental activities</i>	<u>2,461,049</u>	<u>54,476</u>	<u>1,317,631</u>	<u>-</u>
Total primary government	<u>\$ 2,461,049</u>	<u>\$ 54,476</u>	<u>\$ 1,317,631</u>	<u>\$ -</u>

General revenues:

Property taxes
Gross receipt taxes
Motor vehicle and fuel taxes
Miscellaneous income
Interest income

Transfers

Total general revenues and transfers

Changes in net position

Net position - beginning of year

Prior period adjustment

Net position - beginning of year restated

Net position - end of year

The accompanying notes are an integral part of these financial statements

Net (Expenses) Revenue and
Changes in Net Assets
Governmental
Activities

\$	(541,435)
	(190,038)
	(3,201)
	(131,296)
	(220,175)
	(2,797)
	<hr/> (1,088,942)
	 (1,088,942)
	<hr/>

	1,612,692
	105,047
	598,922
	389,304
	32,249
	(116,689)
	<hr/> 2,621,525
	<hr/>
	1,532,583
	<hr/>
	8,749,325
	-
	<hr/> 8,749,325
	<hr/>
\$	<u><u>10,281,908</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
HARDING COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Special	Capital Project Funds	
		Revenue Fund	Building Restoration	Improvement Fund
		Road Fund		
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 1,162,543	\$ 213,478	\$ 929,927	\$ 227,869
Accounts receivable:				
Licenses and fees	-	-	-	-
Property taxes	983,899	-	-	-
Other taxes	2,333	-	-	-
Intergovernmental	-	28,798	-	-
Interfund balances	-	-	208,640	-
<i>Total assets</i>	<u>\$ 2,148,775</u>	<u>\$ 242,276</u>	<u>\$ 1,138,567</u>	<u>\$ 227,869</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
<i>Current liabilities:</i>				
Accounts payable	\$ 42,820	\$ 13,048	\$ -	\$ -
Accrued payroll	28,295	7,747	-	-
Interfund balances	-	208,640	-	-
<i>Total liabilities</i>	<u>71,115</u>	<u>229,435</u>	<u>-</u>	<u>-</u>
<i>Deferred inflows of resources:</i>				
Deferred revenue	117,996	-	-	-
Deferred revenue - property taxes	981,996	-	-	-
<i>Total deferred inflows of resources</i>	<u>1,099,992</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances:</i>				
Nonspendable	-	-	-	-
Restricted	-	12,841	1,138,567	227,869
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	977,668	-	-	-
<i>Total fund balances</i>	<u>977,668</u>	<u>12,841</u>	<u>1,138,567</u>	<u>227,869</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 2,148,775</u>	<u>\$ 242,276</u>	<u>\$ 1,138,567</u>	<u>\$ 227,869</u>

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

Land Acquisition Project Fund	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
\$ 842,319	\$ -	\$ 1,317,192	\$ 4,693,328
-	-	-	-
-	-	-	983,899
-	-	-	2,333
-	-	11,174	39,972
-	-	-	208,640
<u>\$ 842,319</u>	<u>\$ -</u>	<u>\$ 1,328,366</u>	<u>\$ 5,928,172</u>
\$ -	\$ -	\$ 1,562	\$ 57,430
-	-	2,914	38,956
-	-	-	208,640
<u>-</u>	<u>-</u>	<u>4,476</u>	<u>305,026</u>
-	-	-	117,996
-	-	-	981,996
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,099,992</u>
-	-	-	-
842,319	-	1,323,890	3,545,486
-	-	-	-
-	-	-	-
-	-	-	977,668
<u>842,319</u>	<u>-</u>	<u>1,323,890</u>	<u>4,523,154</u>
<u>\$ 842,319</u>	<u>\$ -</u>	<u>\$ 1,328,366</u>	<u>\$ 5,928,172</u>

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

STATE OF NEW MEXICO
HARDING COUNTY
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF
NET POSITION - GOVERNMENTAL FUNDS
JUNE 30, 2016

Exhibit B-1
(Page 2 of 2)

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

Fund balances - total governmental funds	\$	4,523,154
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements.		5,818,070
Deferred inflows		
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the fund statements.		
Accrued interest		(380)
Deferred revenue - property taxes		981,996
Long-term liabilities, including bonds payable, are not due and payable in current period and, therefore, are not reported in the fund statements.		
Deferred outflows		15,715
Deferred inflows		(51,143)
Pension liability		(838,061)
Notes payable		(143,905)
Compensated absences		(23,538)
		<hr style="border-top: 1px solid black;"/>
Net position - total governmental activities	\$	<u><u>10,281,908</u></u>

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

STATE OF NEW MEXICO
HARDING COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund		Improvement Fund
		Road Fund	Building Restoration	
<i>Revenues:</i>				
Taxes	\$ 942,822	\$ 343,442	\$ -	\$ -
Federal grants	127,324	2,442	-	-
State and local source grants	763,770	-	-	-
Licenses and fees	30,647	-	-	-
Charges for services	7,676	-	-	-
Investment income	32,249	-	-	-
Miscellaneous	16,627	357,159	-	-
<i>Total revenues</i>	<u>1,921,115</u>	<u>703,043</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	1,340,107	-	-	-
Public safety	245,552	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	667,871	-	-
Capital outlay	13,211	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>1,598,870</u>	<u>667,871</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>322,245</u>	<u>35,172</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Transfers in (out)	<u>(827,138)</u>	<u>(208,640)</u>	<u>208,640</u>	<u>(477,000)</u>
<i>Total other financing sources (uses)</i>	<u>(827,138)</u>	<u>(208,640)</u>	<u>208,640</u>	<u>(477,000)</u>
<i>Net change in fund balances</i>	<u>(504,893)</u>	<u>(173,468)</u>	<u>208,640</u>	<u>(477,000)</u>
<i>Fund balances - beginning of year</i>	1,482,561	186,309	929,927	704,869
<i>Prior period adjustment</i>	-	-	-	-
<i>Fund balances - beginning of year (restated)</i>	<u>1,482,561</u>	<u>186,309</u>	<u>929,927</u>	<u>704,869</u>
<i>Fund balances - end of year</i>	<u>\$ 977,668</u>	<u>\$ 12,841</u>	<u>\$ 1,138,567</u>	<u>\$ 227,869</u>

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

Land Acquisition Project Fund	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 63,315	\$ 1,349,579
-	-	33,612	163,378
-	-	390,483	1,154,253
-	-	2,189	32,836
-	-	13,964	21,640
-	-	-	32,249
-	-	15,518	389,304
<u>-</u>	<u>-</u>	<u>519,081</u>	<u>3,143,239</u>
-	164	126,027	1,466,298
-	-	198,912	444,464
-	-	104,705	104,705
-	-	147,082	147,082
-	-	93,414	761,285
(5,000)	-	1,050,523	1,058,734
-	19,578	-	19,578
-	2,417	-	2,417
-	-	-	-
<u>(5,000)</u>	<u>22,159</u>	<u>1,720,663</u>	<u>4,004,563</u>
<u>5,000</u>	<u>(22,159)</u>	<u>(1,201,582)</u>	<u>(861,324)</u>
-	22,159	1,166,580	(115,399)
-	22,159	1,166,580	(115,399)
5,000	-	(35,002)	(976,723)
837,319	-	1,358,892	5,499,877
-	-	-	-
<u>837,319</u>	<u>-</u>	<u>1,358,892</u>	<u>5,499,877</u>
<u>\$ 842,319</u>	<u>\$ -</u>	<u>\$ 1,323,890</u>	<u>\$ 4,523,154</u>

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

STATE OF NEW MEXICO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

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	\$	(976,723)
--	----	-----------

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		1,675,393
Depreciation expense		(140,431)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements:

Change in deferred revenue related to property taxes receivable		967,082
---	--	---------

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

Pension Contributions		160,001
Cost of benefits earned net of employee contributions		(176,245)

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:

Change in accrued compensated absences		4,308
Change in accrued interest		(380)
Principal payments on bonds and notes payable		19,578
		19,578
Changes in net position - governmental activities	\$	1,532,583

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

STATE OF NEW MEXICO

Exhibit B-3

HARDING COUNTY

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 1,220,548	\$ 1,220,548	\$ 1,056,582	\$ (163,966)
Intergovernmental	770,000	770,000	922,324	152,324
Licenses and fees	6,280	6,280	30,647	24,367
Charges for services	300	300	7,676	7,376
Interest	25,000	25,000	32,249	7,249
Miscellaneous	5,700	7,698	16,627	8,929
<i>Total revenues</i>	<u>2,027,828</u>	<u>2,029,826</u>	<u>2,066,105</u>	<u>36,279</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	1,780,157	1,865,855	1,393,158	472,697
Public safety	236,622	256,833	238,844	17,989
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	157,600	56,185	13,211	42,974
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,174,379</u>	<u>2,178,873</u>	<u>1,645,213</u>	<u>533,660</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(146,551)</u>	<u>(149,047)</u>	<u>420,892</u>	<u>569,939</u>
<i>Other financing sources (uses):</i>				
Designated cash	146,551	149,047	-	149,047
Transfers in (out)	-	-	(827,138)	(827,138)
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>146,551</u>	<u>149,047</u>	<u>(827,138)</u>	<u>(678,091)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(406,246)</u>	<u>\$ (406,246)</u>
<i>Fund balances - beginning of year</i>			<u>1,568,789</u>	
<i>Fund balances - end of year</i>			<u>\$ 1,162,543</u>	
<i>Reconciliation to GAAP Basis:</i>				
Net change in fund balances			\$ (406,246)	
Adjustments to revenues			(164,018)	
Adjustments to expenditures			65,371	
Net change in fund balance (GAAP basis)			<u>\$ (504,893)</u>	

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

STATE OF NEW MEXICO

Exhibit B-4

HARDING COUNTY

ROAD SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 345,000	\$ 345,000	\$ 360,446	\$ 15,446
Intergovernmental	750	750	2,442	1,692
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	417,635	417,635	357,159	(60,476)
<i>Total revenues</i>	<u>763,385</u>	<u>763,385</u>	<u>720,047</u>	<u>(43,338)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	830,000	850,000	670,626	179,374
Capital outlay	20,000	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>850,000</u>	<u>850,000</u>	<u>670,626</u>	<u>179,374</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(86,615)</u>	<u>(86,615)</u>	<u>49,421</u>	<u>136,036</u>
<i>Other financing sources (uses):</i>				
Designated cash	86,615	86,615	-	86,615
Transfers in (out)	-	-	(208,640)	(208,640)
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>86,615</u>	<u>86,615</u>	<u>(208,640)</u>	<u>(122,025)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(159,219)</u>	<u>\$ (159,219)</u>
<i>Fund balances - beginning of year</i>			<u>372,695</u>	
<i>Fund balances - end of year</i>			<u>\$ 213,476</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ (159,219)	
Adjustments to revenues			(17,004)	
Adjustments to expenditures			2,755	
Net change in fund balance (GAAP basis)			<u>\$ (173,468)</u>	

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

STATE OF NEW MEXICO
HARDING COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2016

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current assets:</i>	
Cash and cash equivalents	2,018,992
Property taxes receivable	<u>912,833</u>
<i>Total assets</i>	<u><u>\$ 2,931,825</u></u>
LIABILITIES	
<i>Current liabilities:</i>	
Due to other taxing units	<u>\$ 2,931,825</u>
<i>Total liabilities</i>	<u><u>\$ 2,931,825</u></u>

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

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. Summary of Significant Accounting Policies

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

During the year ended June 30, 2016, the District adopted GASB Statements No. 72, *Fair Value Measurement and Application*, No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, No. 79, *Certain External Investment Pools and Pool Participants*, and a portion of 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*. GASB Statements Nos. 72, 76, and 79, as well as the implemented portion of Statement No. 73, are required to be implemented for the fiscal year ending June 30, 2016.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

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 is effective for June 30, 2016 year end and a portion is effective for June 30, 2017 year end. Effective for June 30, 2016 are the amendments for Statement No.s 67 and 68 and assets accumulated for pensions not administered as trusts. The amendments of this pronouncement clarifies application of certain provisions of GASB 67 and 68 with regards to the following issues: (1) Information that is required to be presented as notes to the 10-year schedules of RSI about investment-related factors that significantly affect trends in reported amounts; (2) Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions; and (3) Timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation.

In addition, effective for June 30, 2016 year ends, the requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that, for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

The objective of GASB Statement No. 76 is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool for measuring all of its investments at amortized cost for financial reporting purposes. Professional judgement is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide for qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

GASB Statement No. 82 objective is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and; (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements

The more significant of the County’s accounting policies are described below.

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity

GASB Statement No. 14 and GASB Statement No. 61, *The Financial Reporting Entity and The Financial Reporting Entity – Omnibus – an amendment of GASB No.14 and No. 34*, established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the County is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14 and GASB Statement No. 61, fiscally independent means that the County may, without the approval or consent of another government entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The County also has no *component units*, as defined by GASB Statement No. 14 and GASB Statement No.61 and/or GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, as there are no other legally separate organizations for which the elected County Commissioners are financial accountable. There are no other primary governments with which the County Commissioners are financially accountable. There are no other primary governments with which the County has a significant relationship.

B. Government-wide and fund financial statements

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

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

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

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

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, amend GASB No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model: Assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position.

Deferred outflows of resources – a consumption of net position by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets.

Deferred inflows of resources – an acquisition of net position by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

Net position – the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The County’s net position is reported in three parts – net investment in capital assets, restricted, and unrestricted.

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.

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

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

The *General Fund* is the primary operating fund of the County, and accounts for all financial resources, except those required to be accounted for in other funds.

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

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

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

Agency Funds account for monies held on behalf of the school districts, special districts and municipalities, and the State of new Mexico that use the County as a depository; from property taxes collected on behalf of other governments.

Under the requirements of GASB 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 (in addition to the General Fund), which includes funds that were not required to be presented as major but were at the discretion of management:

Road Fund – Special Revenue Funds account for funds used to maintain roads for which the County has responsibility. Financing is provided by motor vehicle fees flowing through the state. Expenditures are restricted to the construction and maintenance of County roads. Authority is Section 7-24A, NMSA, 1978.

Building Restoration ADA Fund – Capital Projects Funds account for a permanent cash transfer from the General Fund to bring the County Courthouse into ADA compliance.

Capital Improvements Funds- Capital Projects Fund account for a permanent cash transfer from the General Fund for various capital improvement purposes.

Land Acquisition Fund – Capital Projects Funds account for a permanent cash transfer from the General Fund for future projects.

Debt Service Funds account for the payments of principal and interest of the County's long-term debt.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. Operating revenues, such as charges for services, result from exchange transactions associated with the principal activities of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and non-operating expenses. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Additionally, the government reports the following fund types:

The *fiduciary funds* are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are used to account for the collection and payment of property taxes and special fees to other governmental agencies.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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

Program revenues included in the Statement of Activities derive 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 to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (b) program-specific operating grants, which includes revenues received from federal and state sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. General revenues include all taxes and other items not properly included among program revenues.

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.

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

D. Assets, Liabilities and Net Position or Equity

Cash and Temporary Investments: The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the County to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

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

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the County may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent.

Certain Special Revenue Funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

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

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 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. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. Information technology equipment, including software, is being capitalized and included in furniture and equipment as the County did not maintain internally developed software. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects as they are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2016.

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

<u>Assets</u>	<u>Years</u>
Infrastructure	10-20
Permanent Buildings	10-40
Land Improvements	5-30
Vehicles	2-30
Other furniture and equipment	2-30

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Deferred Revenues: The County recognizes grant revenue at the time the eligibility restrictions have been met. Such restrictions include 1) the agency should have the characteristics specified by the provider, 2) the time requirements specified by the enabling legislation or provider have been met, 3) if applicable, the provider offers the resources on a reimbursement basis and the recipient has incurred allowable costs under the program and 4) the provider's contingencies have been met. Amounts received and not meeting such restrictions in the Special Revenue Funds are shown as deferred revenues.

Amounts receivable from the property taxes levied for the current year that are not considered to be "available" under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements.

Compensated Absences: Qualified employees are entitled to accumulate annual and sick leave of twelve days up to 240 hours per year according to the leave schedule, depending on length of service. The liability for compensated absences reported in the government-wide statements. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Employees earn up to 12 days of annual leave a year and may accumulate up to 240 hours.

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

For fund financial reporting, bond premiums, discounts as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Fund Equity: Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The detail of the County's fund balances is presented in Note 18.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

Net Investment in Capital Assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Restricted: Consists 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 are restricted for “debt service or capital projects.”

Unrestricted: All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The Government-wide Statement of Net Position reports \$40,628,281 of restricted net position of which \$6,370,083 is restricted by enabling legislation. The County’s policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or nonroutine 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 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 affecting the County’s financial statements include management’s estimate of the useful lives of capital assets and the landfill closure and post-closure care costs.

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 Board of 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 State of New Mexico 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.

These budgets are prepared on the cash basis of accounting (not GAAP), excluding encumbrances and appropriation of funds are secured for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

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

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

For the year ended June 30, 2016, budgets relating to Capital Projects Funds were not submitted for approval to the State of New Mexico Department of Finance with the General Fund, Special Revenue Funds and Debt Service Funds. Presentation of budget information relating to these funds has therefore been excluded from these financial statements.

The County is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures. The County's legal level of control is at the expenditure function level.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budgets with actual data on a budgetary basis (i.e., cash 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 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, 2016 is presented.

NOTE 3. Cash and Temporary 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 pools, money market accounts, and United States Government obligations. According to 6-6-19 D (2) NMSA 1978, the County's permanent funds may be invested in fixed-income securities or debt instruments that are listed in a nationally recognized, broad-market, fixed-income-securities market index. All invested funds of the County properly followed State investment requirements as of June 30, 2016.

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

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

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

The collateral pledged is listed on Schedule III of this report. The types of collateral allowed 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.

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

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3. Cash and Temporary Investments (continued)

Deposits

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	Farmers & Stockman's Bank		Wells Fargo Bank	Total
Total amount of deposits	\$ 5,606,743	\$ 1,250,000	\$ 6,856,743	
FDIC coverage	250,000	1,250,000	1,500,000	
Total uninsured public funds	\$ 5,356,743	\$ -	\$ 5,356,743	
Collateral requirement	\$ 2,678,372	\$ -	\$ 2,678,372	
(50% of uninsured public funds)				
Pledged security	(7,710,000)	-	(7,710,000)	
Total under (over) collateralized	\$ (5,031,628)	\$ -	\$ (5,031,628)	

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 government 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). At June 30, 2016, \$5,356,743 of the County's bank balance of \$6,856,743 was exposed to custodial credit risk because it was uninsured uncollateralized at year end.

The County has presented The New MexiGrow Local Government Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(P) and Sections 6-10-10.1(A) and (E), NMSA 1978. The pool does not have unit shares. Per section 6-10-10(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary. As of June 30, 2016, the County's investment in the State Treasurer Local Government Investment Pool was rated AAAM by Standard & Poor's.

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4. Receivables

Receivables as of June 30, 2016, are as follows:

	General Fund	Road Fund	Building Restoration	Debt Service	Nonmajor Governmental Funds	Total
Property taxes	\$ 983,899	\$ -	\$ -	\$ -	\$ -	\$ 983,899
Other taxes	2,333	-	-	-	-	2,333
Intergovernmental	-	28,798	-	-	11,174	39,972
	<u>\$ 986,232</u>	<u>\$ 28,798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,174</u>	<u>\$ 1,026,204</u>

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, *Accounting and Reporting for Nonexchange transactions*, property tax receivables are presented net of deferred revenues of \$981,996 in the Balance Sheet – Governmental Funds.

NOTE 5. Interfund Receivables, Payables, and Transfers

Receivables and payables from interfund transactions as of June 30, 2016 are listed below. The majority of interfund balances were caused by an overdraft of fund cash carried forward from the prior year or attributable to the current year.

	Due From	Due To
Major Funds:		
Road Fund	\$ -	\$ 208,640
Building Restoration Fund	208,640	-
Total Major Funds	<u>208,640</u>	<u>208,640</u>

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5. Interfund Receivables, Payables, and Transfers (continued)

Operating transfers, made to close out funds and to supplement other funding sources, were as follows:

	<u>Transfer in</u>	<u>Transfer out</u>
Major Funds:		
General Fund	\$ -	\$ 827,138
Road Fund	-	208,640
Building Restoration Fund	208,640	-
Improvement Fund	-	477,000
Debt Service Fund	22,159	-
Total Major Funds	<u>230,799</u>	<u>1,512,778</u>
Nonmajor Funds:		
EMT Special Revenue Fund	-	7,500
DWI Program and Grant Revenue Fund	1,089	-
DWI User's Special Revenue Fund	201	-
Rural Addressing Special Revenue Fund	21,044	-
Senior Program Special Revenue Fund	27,000	-
Fire District No. 1 General Special Revenue Fund	5,105	-
Fire District No.1 Special Revenue Fund	-	27,558
Fire District No. 2 General Special Revenue Fund	7,200	-
Assisted Living Special Revenue Fund	834,400	-
Affordable Housing Plan Special Revenue Fund	-	14,200
Community Development Special Revenue Fund	123,000	-
Safety Net Care Pool Special Revenue Fund	39,999	-
Information Technology Special Revenue Fund	156,800	-
Total Nonmajor Funds	<u>1,215,838</u>	<u>49,258</u>
Agency funds	<u>115,399</u>	-
Grand Total	<u>\$ 1,562,036</u>	<u>\$ 1,562,036</u>

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2016, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

Capital Assets used in Governmental Activities:	Balance <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/Adjts</u>	Balance <u>June 30, 2016</u>
<i>Capital assets not depreciated</i>					
Land	\$ 25,761	\$ —	\$ —	\$ —	\$ 25,761
Construction in Progress	—	—	—	—	—
Total not being depreciated	<u>\$ 25,761</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 25,761</u>
	Balance <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/Adjts</u>	Balance <u>June 30, 2016</u>
<i>Capital assets being depreciated</i>					
Buildings & improvements	\$ 1,943,633	\$ 649,436	\$ —	\$ —	\$ 2,593,069
Machinery & equipment	4,877,721	726,790	14,478	—	5,590,033
Infrastructure	2,170,756	299,167	—	—	2,469,923
Total being depreciated	<u>\$ 8,992,110</u>	<u>\$ 1,675,393</u>	<u>\$ 14,478</u>	<u>\$ —</u>	<u>\$ 10,653,025</u>
Total capital assets	<u>\$ 9,017,871</u>	<u>\$ 1,675,393</u>	<u>\$ 14,478</u>	<u>\$ —</u>	<u>\$ 10,678,786</u>
<i>Less accumulated depreciation</i>					
Buildings	\$ 568,318	\$ 30,977	\$ —	\$ —	\$ 599,295
Machinery & equipment	3,223,708	83,273-	14,478	—	3,292,503
Infrastructure	942,737	26,181	—	—	968,918
Total accumulated depreciation	<u>\$ 4,734,763</u>	<u>\$ 140,431</u>	<u>\$ 14,478</u>	<u>\$ —</u>	<u>\$ 4,860,716</u>
Net capital assets	<u>\$ 4,283,108</u>	<u>\$ 1,534,962</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,818,070</u>

Depreciation expense reported for governmental activities for the year ended June 30, 2016 was charged to the following functions:

General Government	\$ 1,264
Public Safety	78,551
Health and Welfare	9,448
Public Works	<u>51,168</u>
<i>Total depreciation expense</i>	<u>\$ 140,431</u>

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7. Long-Term Debt

During the year ended June 30, 2016, the following changes occurred in the governmental activities noncurrent liabilities reported in the government-wide statement of net position:

Governmental Activities	Balance			Due Within	
	June 30, 2015	Additions	Deletions	Balance June 30, 2016	One Year
Notes Payable	\$ 163,483	\$ 0	\$ 19,578	\$ 143,905	\$ 19,733
Compensated absences	27,846	12,638	16,946	23,538	23,538
Total Long-Term Debt	\$ 191,329	\$ 12,638	\$ 36,524	\$ 167,443	\$ 43,271

Interest expense paid on long-term debt totaled \$1,956,667 for the year ended June 30, 2016 as indicated on the Statement of Activities.

The annual requirements to amortize bonds payable as of June 30, 2016, including interest payments are as follows:

FY Ending	Total Debt		
June 30th	Principal	Interest	Service
2017	\$ 19,733	\$ 2,282	\$ 22,015
2018	19,950	2,114	22,064
2019	20,159	1,595	21,754
2020	20,452	1,623	22,075
2021	20,793	1,302	22,095
2022-2026	42,848	1,405	44,253
	<u>\$ 143,935</u>	<u>\$ 10,321</u>	<u>\$ 154,256</u>

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

The County entered into a loan agreement with the New Mexico Finance Authority evidencing a special limited obligation of the County to pay a principal amount \$201,512 and interest for the purpose of defraying the cost of fire protection equipment. The yearly principal payments are redirected from the County's share of the State Fire Protection Fund revenue, which is pledged to the New Mexico Finance Authority to secure the loan. The note maintains an interest rate of 1.686 plus .1% administrative fee with semi-annual interest payments.

Compensated Absences – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2016, compensated absences decreased \$4,308 from the prior year. Additional information on compensated absences can be found in Note 1.

STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8. Deferred Revenue

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to subsequent years, unless such excess revenues are requested to be returned to the grantor. At year-end, the County did not have any unused grant awards.

The deferred revenue balance in the General Fund totaling \$117,996, respectively, consisted of fiscal year 2016 Payments in Lieu of Taxes received from the Bureau of Land Management before June 30, 2016.

NOTE 9. Risk Management

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

NOTE 10. Other Required Individual Fund Disclosures

GAAP require disclosures as part of the Combined Statements - Overview of certain information concerning individual funds including:

- A. *Deficit fund balance of individual funds:* There were no governmental funds reflecting a deficit fund balance as of June 30, 2016:
- B. *Excess of expenditures over appropriations:* There were no funds which exceeded approved budgetary authority for the year ended June 30, 2016.
- C. *Designated cash appropriation in excess of available balances:* There were no funds which had designated cash in appropriations in excess of available balances for the year ended June 30, 2016.

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11. PERA Pension Plan

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

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

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2015 available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf.

Contributions. The contribution requirements of defined benefit plan members and the (name of employer) 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 FY15 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY15 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2015.pdf. The PERA coverage options that apply to the City are the Municipal General Division, Municipal Police Division and Municipal Fire Division.

Statutorily required contributions to the pension plan from the County were \$70,111 and employer did not pay member benefits that were “picked up” by the employer for the year ended June 30, 2016.

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, 2014. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2015.

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11. PERA Pension Plan (Continued)

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were preformed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The City'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, 2015. Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2015 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division Municipal General Division, at June 30, 2016, the County reported a liability of \$718,809 for its proportionate share of the net pension liability. At June 30, 2015, the County's proportion was .0705 percent, which was decrease of .00676 percent from its proportion measured as of June 30, 2014, due to the insignificance of the difference.

For the year ended June 30, 2016, the County recognized PERA Fund Municipal General Division pension expense of \$57,903. At June 30, 2016, the County reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ —	\$ 15,922
Changes of assumptions	—	280
Net difference between projected and actual Earnings on pension plan investments	—	2,274
Changes in proportion and differences between the County's contributions and proportionate Share of contributions	—	27,402
County's contributions subsequent to the measurement date	<u>3,648</u>	<u>—</u>
Total	<u>\$ 3,648</u>	<u>\$ 45,878</u>

\$3,648 reported as deferred outflows of resources related to pensions resulting from the County 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2017	\$ (19,038)
2018	(19,038)
2019	(19,038)
2020	38,639
2021	--

STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
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NOTE 11. PERA Pension Plan (Continued)

For PERA Fund Division Municipal Police Division, at June 30, 2016, the County reported a liability of \$119,252 for its proportionate share of the net pension liability. At June 30, 2014, the County's proportion was .0248 percent, which was .0015 percent change from its proportion measured as of June 30, 2014, due to the insignificance of the difference.

For the year ended June 30, 2016, the County recognized PERA Fund Division Municipal Police Members pension expense of \$12,208. At June 30, 2016, the County reported PERA Fund Division Municipal Police Members deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 8,333	\$ 331
Changes of assumptions	—	4,934
Net difference between projected and actual earnings on pension plan investments	—	—
Changes in proportion and differences between the County's contributions and proportionate Share of contributions	3,734	—
County's contributions subsequent to the measurement date	—	—
Total	<u>\$ 12,067</u>	<u>\$ 5,265</u>

\$12,067 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30.</u>	
2017	\$ (1,015)
2018	(1,015)
2019	(1,015)
2020	6,115
2021	-

STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11. PERA Pension Plan (Continued)

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2014 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, 2015 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 Board 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
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
<input type="checkbox"/> Investment rate of return	7.75% annual rate, net of investment expense
<input type="checkbox"/> Payroll growth	3.50% annual rate
<input type="checkbox"/> Projected salary increases	3.50% to 14.25% annual rate
<input type="checkbox"/> Includes inflation at	3.00% annual rate

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

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

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

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

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11. PERA Pension Plan (Continued)

Fiscal Year <u>Ending June 30,</u>	1% Decrease <u>(6.75%)</u>	Current Discount <u>Rate (7.75%)</u>	1% Increase <u>(8.75%)</u>
County's proportionate share of the net pension liability	\$ 1,223,846	\$ 718,809	\$ 298,904
Fiscal Year <u>Ending June 30,</u>	1% Decrease <u>(6.75%)</u>	Current Discount <u>Rate (7.75%)</u>	1% Increase <u>(8.75%)</u>
County's proportionate share of the net pension liability	\$ 196,938	\$ 119,252	\$ 55,524

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

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

The Retiree Health Care Act, Chapter IV, Article 7C, NMSA 1978 provides a comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The county and has elected not to participate in the post-employment health insurance plan.

NOTE 13. Joint Powers Agreement

The Board of Commissioners for the Harding County Sheriff's office and the Governing body of the Village of Mosquero, New Mexico, entered into the joint powers agreement to assist the Village of Mosquero in providing adequate Law Enforcement coverage. The agreement provides that the Village will make available to the Sheriff's Department is Law Enforcement Protection Funds for the purchase of law enforcement equipment. However, the Village retains ownership of the equipment. Other police equipment owned by the Village will be available for use by the Sheriff. The Village will not pay the County for these services. Costs of the project are not available. The agreement is effective April 2, 2015 and may be terminated by either party, upon 30 days' notice.

NOTE 14. Contingent Liabilities and Commitments

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.

Commitments - The County had various construction and purchase commitments for various projects as of June 30, 2016. The funding to cover the various commitments was bond proceeds, including bonds and grants.

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
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NOTE 15. Federal and State Grants

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

NOTE 16. Subsequent Accounting Standard Pronouncements

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

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

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

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

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

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

NOTE 17. Governmental Fund Balances

Fund Balances: In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications.

In the governmental financial statements, fund balance is classified and is displayed in five components:

Nonspendable: Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

STATE OF NEW MEXICO
HARDING COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Restricted: Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

NOTE 17. Governmental Fund Balances (continued)

Committed: Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Assigned: Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned: Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Detail relating to the fund balance classifications is displayed below:

Fund Balances:	General	Road	Building	Improvement	Landfill	Nonmajor	Total
	Fund	Fund	Restoration	Fund	Acquisition	Governmental	
					Project	Funds	
<i>Nonspendable</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Restricted:</i>							
Capital Projects	-	-	1,138,567	227,869	842,319	-	2,208,755
Debt Service	-	-	-	-	-	-	-
Roads & Highways	-	12,841	-	-	-	-	12,841
Recreation	-	-	-	-	-	722	722
Fire Protection	-	-	-	-	-	354,034	354,034
EMS	-	-	-	-	-	74,913	74,913
Law Enforcement	-	-	-	-	-	391,209	391,209
County Administration	-	-	-	-	-	392,301	392,301
Citizen Health	-	-	-	-	-	78,313	78,313
Senior Citizens	-	-	-	-	-	32,398	32,398
<i>Unassigned</i>	<u>977,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>977,668</u>
<i>Total fund balances</i>	<u>\$ 977,668</u>	<u>\$ 12,841</u>	<u>\$ 1,138,567</u>	<u>\$ 227,869</u>	<u>\$ 842,319</u>	<u>\$ 1,323,890</u>	<u>\$ 4,523,154</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for funding that is restricted either by statute or by grantor/donor restrictions.

Farm and Range Fund- To account for the operations of farm and range activities, including soil and water conservation, predatory animal and insect control. Financing is provided from distributions made under the Taylor Grazing Act. Authority is Section 6-11-6, NMSA, 1978.

Indigent Fund - To account for the operations of the health and welfare expenses incurred in order to help needy people of the County.

Emergency Management Fund - To account for resources received from the Federal Emergency Management Agency through the State of New Mexico Department of Public Safety, Emergency Management Bureau and General Fund matching monies to help implement the "All Hazards Emergency Operations Plan" adopted by the County. Authority is 6-1-6 NMSA, 1978.

Emergency Medical Services Fund (EMS No. 1 and No. 2) - To account for a grant from the State of New Mexico to be used for the acquisition of emergency medical services to County residents. Sources of funds are the State of New Mexico Health Department Emergency Medical Services Bureau. Authority is Section 24-10A-1 through 10, NMSA, 1978.

Recording and Equipment Fund - To account for monies collected by the County Clerk's office for each instrument recorded and when the instrument is photocopied. The County Clerk may charge, in addition to any other fees authorized by law, an equipment recording fee. The equipment recording fee revenues are to be expended only to rent, purchase, lease or lease-purchase equipment associated with recording, filing, maintaining or reproducing documents in the County Clerk's office and for staff training on office procedures and equipment. Authority is the Absentee-Early Voting Act (Section 15-8-12.2, NMSA, 1978).

EMT Fund - To account for a special infrastructure gross receipts tax (1/16th) to be used for stipends for Certified Emergency Medical Technicians (EMT's) and ambulance drivers within Harding County. Authority is 6-1-6 NMSA, 1978.

Jail Detention Fund - To account for a grant from the State of New Mexico Correction Department through the Law Enforcement Protection Act. The funding is to be used for law enforcement improvements. Authority is 29-14-1, NMSA, 1978.

DWI Program and Grant Fund - To account for a grant from the State of New Mexico for D.W.I. detection, screening, treatment, law enforcement, prevention, education, treatment and screening pursuant to Chapter 65, New Mexico Laws of 1993. Authority is Section 11-6A-1 through 11-6A-6, NMSA, 1978.

DWI Users Fund - To account for Screening/Assessment Fees (determined on a sliding scale) to be used for DWI functions not funded by the DWI Grant. Authority is 6-1-6 NMSA, 1978.

Law Enforcement Protection Fund - To account for a grant from the State of New Mexico Correction Department through the Law Enforcement Protection Act. The funding is to be used for law enforcement improvements. Authority is 29-14-1, NMSA, 1978.

Rural Addressing Fund - To account for resources provided by the General Fund to be used to mark rural addresses for use by emergency personnel. Authority is 6-1-6 NMSA, 1978.

Senior Program Fund - To account for the operations of the senior citizen centers funded by Eastern New Mexico Area Agency on Aging, congregate and charges for deliveries, and the County's contributions. Resources are received by a grant from Area Agency on Aging from the Older Americans Act, Title III-B, IIIC-1, IIIC-2 and IIID, monies and monies appropriated in Chapter 12, 1996 Laws of New Mexico (HB2). Also, to account for funds received from the U.S. Department of Agriculture through the Eastern New Mexico Area Agency on Aging to be used solely for the purchase of United States Agricultural commodities and other foods produced in the United States for use in the food operations at the Senior Centers. Authority is the Older Americans Act, House Bill 2 and the U.S. Department of Agriculture.

Fire District NO. 1 Fund - To account for the operations and maintenance for the two fire districts. Financing is provided by an allotment from the State Fire Marshall under 59A-53-1, NMSA, 1978.

Fire District NO. 2 Fund - To account for the operations and maintenance for the two fire districts. Financing is provided by an allotment from the State Fire Marshall under 59A-53-1, NMSA, 1978.

County Health Program - To account for resources received from the New Mexico Department of Health to obtain a Health Coordinator to implement an overall comprehensive plan that will encourage a family, school and community partnership to promote healthy behavior and identify health issues of importance to County citizens.

Assisted Living Project Fund- To account for the assistance in the planning and development of an assisted living facility per County Commission, October, 2014.

Affordable Housing Plan Project Fund – To account for funds used to rehabilitate homes per County Commission.

Fire District NO. 1 Equipment Grant Fund - To account for the equipment purchases for the fire districts. Financing is provided by an allotment from the State Fire Marshall under 59A-53-1, NMSA, 1978.

Community Development Fund - To account for requests approved by Commissioners in order to fund different organizations and Villages in Harding County.

Solid Waste Fund - To account for resources received from the County's share of environmental gross receipts taxes (1/8th) and a special (1/16th) infrastructure gross receipts tax so the County may pay for the management and disposal of solid waste in future years. The County at this time does not provide solid waste services. Authority is 7-19D-10 and 7-2DE-17, NMSA, 1978.

Safety Net Care Pool Fund - To account for the safety net care pool.

Information Technology Fund - To account for information technology per County Commission.

Fire No. 1 Wildland Fire Fund- To account for money received for wildland fires for the Fire District No.1 through the Energy, Minerals and Natural Resources Department, Forestry Division.

Rosebud Wildland Fire Fund- To account for money received for wildland fires for the Rosebud Fire District through the Energy, Minerals and Natural Resources Department, Forestry Division.

STATE OF NEW MEXICO
HARDING COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Farm and Range Fund	Indigent Claims Fund	EMS Fund
ASSETS			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 722	\$ -	\$ -
Accounts receivable:			
Licenses and fees	-	-	-
Property taxes	-	-	-
Other taxes	-	-	-
Intergovernmental	-	759	-
Other receivables	-	-	-
Interfund balances	-	-	-
Restricted cash and cash equivalents	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 722</u>	<u>\$ 759</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
<i>Current liabilities:</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	-	-	-
Interfund balances	-	-	-
Deferred revenue	-	-	-
Deferred revenue - property taxes	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances:</i>			
Nonspendable	-	-	-
Restricted	722	759	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u>722</u>	<u>759</u>	<u>-</u>
<i>Total fund balances</i>	<u>722</u>	<u>759</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 722</u>	<u>\$ 759</u>	<u>\$ -</u>

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

EMS 1 Fund	EMS 2 Fund	Recording and Equipment Fund	Re-appraisal Fund	EMT Fund	Jail Detention Fund
\$ 1	\$ 175	\$ 14,732	\$ 19,160	\$ 74,099	\$ 368,715
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	638	1,555
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1</u>	<u>\$ 175</u>	<u>\$ 14,732</u>	<u>\$ 19,160</u>	<u>\$ 74,737</u>	<u>\$ 370,270</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1	175	14,732	19,160	74,737	370,270
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1</u>	<u>175</u>	<u>14,732</u>	<u>19,160</u>	<u>74,737</u>	<u>370,270</u>
<u>\$ 1</u>	<u>\$ 175</u>	<u>\$ 14,732</u>	<u>\$ 19,160</u>	<u>\$ 74,737</u>	<u>\$ 370,270</u>

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

STATE OF NEW MEXICO
HARDING COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	DWI Program and Grant Fund	DWI User's Fund	Law Enforcement Fund	Rural Addressing Fund	Senior Program Fund
ASSETS					
<i>Current assets:</i>					
Cash and cash equivalents	\$ 12,438	\$ 6,705	\$ 1,796	\$ 18,970	\$ 27,728
Accounts receivable:					
Licenses and fees	-	-	-	-	-
Property taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	7,584
Other receivables	-	-	-	-	-
Interfund balances	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
<i>Total assets</i>	<u>\$ 12,438</u>	<u>\$ 6,705</u>	<u>\$ 1,796</u>	<u>\$ 18,970</u>	<u>\$ 35,312</u>
LIABILITIES AND FUND BALANCES					
<i>Current liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	2,914
Interfund balances	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Deferred revenue - property taxes	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,914</u>
<i>Fund balances:</i>					
Nonspendable	-	-	-	-	-
Restricted	12,438	6,705	1,796	18,970	32,398
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>12,438</u>	<u>6,705</u>	<u>1,796</u>	<u>18,970</u>	<u>32,398</u>
<i>Total liabilities and fund balances</i>	<u>\$ 12,438</u>	<u>\$ 6,705</u>	<u>\$ 1,796</u>	<u>\$ 18,970</u>	<u>\$ 35,312</u>

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

<u>Fire District No.1 General Fund</u>	<u>Fire District No.1 Fund</u>	<u>Fire District No.2 Fund</u>	<u>Fire District No.2 General Fund</u>	<u>County Health Program Fund</u>
\$ 3,527	\$ 167,878	\$ 161,865	\$ 9,010	\$ 2,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,527</u>	<u>167,878</u>	<u>161,865</u>	<u>9,010</u>	<u>2,000</u>
\$ -	\$ -	\$ 1,562	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	1,562	-	-
-	-	-	-	-
3,527	167,878	160,303	9,010	2,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,527</u>	<u>167,878</u>	<u>160,303</u>	<u>9,010</u>	<u>2,000</u>
<u>\$ 3,527</u>	<u>\$ 167,878</u>	<u>\$ 161,865</u>	<u>\$ 9,010</u>	<u>\$ 2,000</u>

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

STATE OF NEW MEXICO
HARDING COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Assisted Living Project Fund	Affordable Housing Plan Project Fund	Fire No. 1 Equipment Grant Fund	Community Development Fund
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 75,554	\$ -	\$ 4,201	\$ 10,000
Accounts receivable:				
Licenses and fees	-	-	-	-
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other receivables	-	-	-	-
Interfund balances	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
<i>Total assets</i>	<u>\$ 75,554</u>	<u>\$ -</u>	<u>\$ 4,201</u>	<u>\$ 10,000</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Interfund balances	-	-	-	-
Deferred revenue	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances:</i>				
Nonspendable	-	-	-	-
Restricted	75,554	-	4,201	10,000
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>75,554</u>	<u>-</u>	<u>4,201</u>	<u>10,000</u>
<i>Total liabilities and fund balances</i>	<u>\$ 75,554</u>	<u>\$ -</u>	<u>\$ 4,201</u>	<u>\$ 10,000</u>

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

Solid Waste Fund	Safety Net Care Pool Fund	Information Technology Fund	Fire No. 1 Wildland Fire Fund	Rosebud Wildland Fire Fund	Total
\$ 5,288	\$ 2,764	\$ 320,749	\$ 4,182	\$ 4,933	\$ 1,317,192
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
638	-	-	-	-	11,174
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,926</u>	<u>\$ 2,764</u>	<u>\$ 320,749</u>	<u>\$ 4,182</u>	<u>\$ 4,933</u>	<u>\$ 1,328,366</u>
\$ -	\$ -	\$ -	\$ -	\$ -	1,562
-	-	-	-	-	2,914
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	4,476
-	-	-	-	-	-
5,926	2,764	320,749	4,182	4,933	1,323,890
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,926</u>	<u>2,764</u>	<u>320,749</u>	<u>4,182</u>	<u>4,933</u>	<u>1,323,890</u>
<u>\$ 5,926</u>	<u>\$ 2,764</u>	<u>\$ 320,749</u>	<u>\$ 4,182</u>	<u>\$ 4,933</u>	<u>\$ 1,328,366</u>

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

STATE OF NEW MEXICO
HARDING COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BLANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Farm and Range Fund	Indigent Claims Fund	EMS Fund
<i>Revenues:</i>			
Taxes	\$ -	\$ -	\$ -
Federal grants	21	-	-
State and local source grants	-	-	-
Licenses and fees	-	-	-
Charges for services	-	-	-
Interest	-	-	-
Miscellaneous	-	11,011	-
<i>Total revenues</i>	<u>21</u>	<u>11,011</u>	<u>-</u>
<i>Expenditures:</i>			
Current:			
General government	-	-	-
Public safety	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	11,194	-
Public works	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Bond issuance costs	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>11,194</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>21</u>	<u>(183)</u>	<u>-</u>
<i>Other financing sources (uses):</i>			
Transfers in (out)	-	-	-
Bond proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	21	(183)	-
<i>Fund balances - beginning of year</i>	701	942	-
<i>Prior period adjustment</i>	-	-	-
<i>Fund balances - beginning of year (restated)</i>	701	942	-
<i>Fund balances - end of year</i>	<u>\$ 722</u>	<u>\$ 759</u>	<u>\$ -</u>

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

EMS 1 Fund	EMS 2 Fund	Recording and Equipment Fund	Re-appraisal Fund	EMT Fund	Jail Detention Fund
\$ -	\$ -	\$ -	\$ 16,368	\$ 6,379	\$ 20,161
-	-	-	-	-	-
5,494	11,938	-	-	-	-
-	-	2,189	-	-	-
-	-	1,730	-	-	8,352
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,494</u>	<u>11,938</u>	<u>3,919</u>	<u>16,368</u>	<u>6,379</u>	<u>28,513</u>
-	-	386	15,141	-	-
5,519	11,763	-	-	2,600	8,423
-	-	-	-	-	-
-	-	-	-	-	-
-	9,362	8,836	3,909	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,519</u>	<u>21,125</u>	<u>9,222</u>	<u>19,050</u>	<u>2,600</u>	<u>8,423</u>
<u>(25)</u>	<u>(9,187)</u>	<u>(5,303)</u>	<u>(2,682)</u>	<u>3,779</u>	<u>20,090</u>
-	-	-	-	(7,500)	-
-	-	-	-	-	-
-	-	-	-	(7,500)	-
(25)	(9,187)	(5,303)	(2,682)	(3,721)	20,090
26	9,362	20,035	21,842	78,458	350,180
-	-	-	-	-	-
26	9,362	20,035	21,842	78,458	350,180
<u>\$ 1</u>	<u>\$ 175</u>	<u>\$ 14,732</u>	<u>\$ 19,160</u>	<u>\$ 74,737</u>	<u>\$ 370,270</u>

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

STATE OF NEW MEXICO
HARDING COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BLANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	DWI Program and Grant Fund	DWI User's Fund	Law Enforcement Fund	Rural Addressing Fund	Senior Program Fund
<i>Revenues:</i>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	-	-	-	-	33,591
State and local source grants	77,924	4,201	21,200	-	67,838
Licenses and fees	-	-	-	-	-
Charges for services	-	1,651	-	-	54
Interest	-	-	-	-	-
Miscellaneous	-	371	-	-	-
<i>Total revenues</i>	<u>77,924</u>	<u>6,223</u>	<u>21,200</u>	<u>-</u>	<u>101,483</u>
<i>Expenditures:</i>					
Current:					
General government	-	-	-	-	-
Public safety	73,666	5,389	19,404	2,826	-
Culture and recreation	-	-	-	-	104,705
Health and welfare	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	3,204	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
<i>Total expenditures</i>	<u>73,666</u>	<u>5,389</u>	<u>19,404</u>	<u>6,030</u>	<u>104,705</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,258</u>	<u>834</u>	<u>1,796</u>	<u>(6,030)</u>	<u>(3,222)</u>
<i>Other financing sources (uses):</i>					
Transfers in (out)	1,089	201	-	21,044	27,000
Bond proceeds	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,089</u>	<u>201</u>	<u>-</u>	<u>21,044</u>	<u>27,000</u>
<i>Net change in fund balances</i>	5,347	1,035	1,796	15,014	23,778
<i>Fund balances - beginning of year</i>	7,091	5,670	-	3,956	8,620
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Fund balances - beginning of year (restated)</i>	7,091	5,670	-	3,956	8,620
<i>Fund balances - end of year</i>	<u>\$ 12,438</u>	<u>\$ 6,705</u>	<u>\$ 1,796</u>	<u>\$ 18,970</u>	<u>\$ 32,398</u>

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

Fire District No.1 General Fund	Fire District No.1 Fund	Fire District No.2 Fund	Fire District No.2 General Fund	County Health Program Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	107,871	68,783	-	17,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	3,166	970	-
-	107,871	71,949	970	17,000
-	-	-	-	-
6,773	18,886	34,382	4,158	-
-	-	-	-	-
-	-	-	-	15,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,773	18,886	34,382	4,158	15,000
(6,773)	88,985	37,567	(3,188)	2,000
5,105	(27,558)	-	7,200	-
-	-	-	-	-
5,105	(27,558)	-	7,200	-
(1,668)	61,427	37,567	4,012	2,000
5,195	106,451	122,736	4,998	-
-	-	-	-	-
5,195	106,451	122,736	4,998	-
\$ 3,527	\$ 167,878	\$ 160,303	\$ 9,010	\$ 2,000

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

STATE OF NEW MEXICO
HARDING COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BLANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Assisted Living Project Fund	Affordable Housing Plan Project Fund	Fire No.1 Equipment Grant Fund	Community Development Fund	Solid Waste Fund
<i>Revenues:</i>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 20,407
Federal grants	-	-	-	-	-
State and local source grants	8,234	-	-	-	-
Licenses and fees	-	-	-	-	-
Charges for services	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<i>Total revenues</i>	<u>8,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,407</u>
<i>Expenditures:</i>					
<i>Current:</i>					
General government	-	-	-	110,500	-
Public safety	-	-	-	5,000	-
Culture and recreation	-	-	-	-	-
Health and welfare	81,652	-	-	2,000	-
Public works	-	-	-	-	93,414
Capital outlay	815,541	-	209,671	-	-
<i>Debt service:</i>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
<i>Total expenditures</i>	<u>897,193</u>	<u>-</u>	<u>209,671</u>	<u>117,500</u>	<u>93,414</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(888,959)</u>	<u>-</u>	<u>(209,671)</u>	<u>(117,500)</u>	<u>(73,007)</u>
<i>Other financing sources (uses):</i>					
Transfers in (out)	834,400	(14,200)	-	123,000	-
Bond proceeds	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>834,400</u>	<u>(14,200)</u>	<u>-</u>	<u>123,000</u>	<u>-</u>
<i>Net change in fund balances</i>	(54,559)	(14,200)	(209,671)	5,500	(73,007)
<i>Fund balances - beginning of year</i>	130,113	14,200	213,872	4,500	78,933
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Fund balances - beginning of year (restated)</i>	130,113	14,200	213,872	4,500	78,933
<i>Fund balances - end of year</i>	<u>\$ 75,554</u>	<u>\$ -</u>	<u>\$ 4,201</u>	<u>\$ 10,000</u>	<u>\$ 5,926</u>

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

Safety Net Care Pool Fund	Information Technology Fund	Fire No. 1 Wildland Fire Fund	Rosebud Wildland Fire Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 63,315
-	-	-	-	33,612
-	-	-	-	390,483
-	-	-	-	2,189
-	-	-	2,177	13,964
-	-	-	-	-
-	-	-	-	15,518
-	-	-	2,177	519,081
-	-	-	-	126,027
-	-	123	-	198,912
-	-	-	-	104,705
37,236	-	-	-	147,082
-	-	-	-	93,414
-	-	-	-	1,050,523
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
37,236	-	123	-	1,720,663
(37,236)	-	(123)	2,177	(1,201,582)
39,999	156,800	-	-	1,166,580
-	-	-	-	-
39,999	156,800	-	-	1,166,580
2,763	156,800	(123)	2,177	(35,002)
1	163,949	4,305	2,756	1,358,892
-	-	-	-	-
1	163,949	4,305	2,756	1,358,892
\$ 2,764	\$ 320,749	\$ 4,182	\$ 4,933	\$ 1,323,890

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

STATE OF NEW MEXICO

Statement B-3

HARDING COUNTY

FARM AND RANGE 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	16	16	21	5
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>16</u>	<u>16</u>	<u>21</u>	<u>5</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	717	717	-	717
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>717</u>	<u>717</u>	<u>-</u>	<u>717</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(701)</u>	<u>(701)</u>	<u>21</u>	<u>722</u>
<i>Other financing sources (uses):</i>				
Designated cash	701	701	-	701
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>701</u>	<u>701</u>	<u>-</u>	<u>701</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>21</u>	<u>\$ 21</u>
<i>Fund balances - beginning of year</i>			<u>701</u>	
<i>Fund balances - end of year</i>			<u>\$ 722</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 21	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 21</u>	

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

STATE OF NEW MEXICO

Statement B-4

HARDING COUNTY

INDIGENT CLAIMS 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	30,000	30,000	11,194	(18,806)
<i>Total revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>11,194</u>	<u>(18,806)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	30,000	30,000	11,194	18,806
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>30,000</u>	<u>30,000</u>	<u>11,194</u>	<u>18,806</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<i>Fund balances - beginning of year</i>			<u>-</u>	
<i>Fund balances - end of year</i>			<u>\$ -</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ -	
Adjustments to revenues			(183)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (183)</u>	

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

STATE OF NEW MEXICO

Statement B-5

HARDING COUNTY

EMS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual
	Original	Final		Favorable (Unfavorable)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<i>Fund balances - beginning of year</i>			<u>-</u>	
<i>Fund balances - end of year</i>			<u>\$ -</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-6

HARDING COUNTY

EMS 1 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,200	5,494	5,494	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,200</u>	<u>5,494</u>	<u>5,494</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	5,226	5,520	5,519	1
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>5,226</u>	<u>5,520</u>	<u>5,519</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(26)</u>	<u>(26)</u>	<u>(25)</u>	<u>1</u>
<i>Other financing sources (uses):</i>				
Designated cash	26	26	-	26
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>26</u>	<u>26</u>	<u>-</u>	<u>26</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(25)</u>	<u>\$ (25)</u>
<i>Fund balances - beginning of year</i>			<u>26</u>	
<i>Fund balances - end of year</i>			<u>\$ 1</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ (25)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (25)</u>	

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

STATE OF NEW MEXICO

Statement B-7

HARDING COUNTY

EMS 2 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,430	11,938	11,938	-
Licenses and fees	-	-	-	-
Charges for services	-	32,222	-	(32,222)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>13,430</u>	<u>44,160</u>	<u>11,938</u>	<u>(32,222)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	22,792	11,938	11,763	175
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	9,362	9,362	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>22,792</u>	<u>21,300</u>	<u>21,125</u>	<u>175</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(9,362)</u>	<u>22,860</u>	<u>(9,187)</u>	<u>(32,047)</u>
<i>Other financing sources (uses):</i>				
Designated cash	9,362	(22,860)	-	(22,860)
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>9,362</u>	<u>(22,860)</u>	<u>-</u>	<u>(22,860)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(9,187)</u>	<u>\$ (9,187)</u>
<i>Fund balances - beginning of year</i>			<u>9,362</u>	
<i>Fund balances - end of year</i>			<u>\$ 175</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ (9,187)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (9,187)</u>	

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

STATE OF NEW MEXICO

Statement B-8

HARDING COUNTY

RECORDING AND EQUIPMENT 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	6,000	6,000	2,189	(3,811)
Charges for services	1,000	1,000	1,730	730
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,000</u>	<u>7,000</u>	<u>3,919</u>	<u>(3,081)</u>
<i>Expenditures:</i>				
Current:				
General government	21,035	18,035	386	17,649
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	6,000	9,000	8,836	164
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>27,035</u>	<u>27,035</u>	<u>9,222</u>	<u>17,813</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(20,035)</u>	<u>(20,035)</u>	<u>(5,303)</u>	<u>14,732</u>
<i>Other financing sources (uses):</i>				
Designated cash	20,035	20,035	-	20,035
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>20,035</u>	<u>20,035</u>	<u>-</u>	<u>20,035</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(5,303)</u>	<u>\$ (5,303)</u>
<i>Fund balances - beginning of year</i>			<u>20,035</u>	
<i>Fund balances - end of year</i>			<u>\$ 14,732</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ (5,303)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (5,303)</u>	

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

STATE OF NEW MEXICO

Statement B-9

HARDING COUNTY

RE-APPRAISAL FUND 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 13,000	\$ 13,000	\$ 16,368	\$ 3,368
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>13,000</u>	<u>13,000</u>	<u>16,368</u>	<u>3,368</u>
<i>Expenditures:</i>				
Current:				
General government	30,842	30,842	15,141	15,701
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	4,000	4,000	3,909	91
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>34,842</u>	<u>34,842</u>	<u>19,050</u>	<u>15,792</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(21,842)</u>	<u>(21,842)</u>	<u>(2,682)</u>	<u>19,160</u>
<i>Other financing sources (uses):</i>				
Designated cash	21,842	21,842	-	21,842
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>21,842</u>	<u>21,842</u>	<u>-</u>	<u>21,842</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,682)</u>	<u>\$ (2,682)</u>
<i>Fund balances - beginning of year</i>			<u>21,842</u>	
<i>Fund balances - end of year</i>			<u>\$ 19,160</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ (2,682)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (2,682)</u>	

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

STATE OF NEW MEXICO

Statement B-10

HARDING COUNTY

EMT 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 25,000	\$ 25,000	\$ 7,298	\$ (17,702)
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>7,298</u>	<u>(17,702)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	101,901	94,401	2,600	91,801
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>101,901</u>	<u>94,401</u>	<u>2,600</u>	<u>91,801</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(76,901)</u>	<u>(69,401)</u>	<u>4,698</u>	<u>74,099</u>
<i>Other financing sources (uses):</i>				
Designated cash	76,901	69,401	-	69,401
Transfers in (out)	-	-	(7,500)	(7,500)
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>76,901</u>	<u>69,401</u>	<u>(7,500)</u>	<u>61,901</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,802)</u>	<u>\$ (2,802)</u>
<i>Fund balances - beginning of year</i>			<u>76,901</u>	
<i>Fund balances - end of year</i>			<u>\$ 74,099</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ (2,802)	
Adjustments to revenues			(919)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (3,721)</u>	

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

STATE OF NEW MEXICO

Statement B-11

HARDING COUNTY

JAIL DETENTION 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 59,000	\$ 59,000	\$ 22,742	\$ (36,258)
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	11,000	11,000	8,352	(2,648)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>70,000</u>	<u>70,000</u>	<u>31,094</u>	<u>(38,906)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	173,022	173,022	8,423	164,599
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>173,022</u>	<u>173,022</u>	<u>8,423</u>	<u>164,599</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(103,022)</u>	<u>(103,022)</u>	<u>22,671</u>	<u>125,693</u>
<i>Other financing sources (uses):</i>				
Designated cash	103,022	103,022	-	103,022
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>103,022</u>	<u>103,022</u>	<u>-</u>	<u>103,022</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>22,671</u>	<u>\$ 22,671</u>
<i>Fund balances - beginning of year</i>			<u>346,044</u>	
<i>Fund balances - end of year</i>			<u>\$ 368,715</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 22,671	
Adjustments to revenues			(2,581)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 20,090</u>	

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

STATE OF NEW MEXICO

Statement B-12

HARDING COUNTY

DWI PROGRAM SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	76,000	77,290	77,924	634
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>76,000</u>	<u>77,290</u>	<u>77,924</u>	<u>634</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	76,000	77,290	76,776	514
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>76,000</u>	<u>77,290</u>	<u>76,776</u>	<u>514</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,148</u>	<u>1,148</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	1,089	1,089
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>1,089</u>	<u>1,089</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>2,237</u>	<u>\$ 2,237</u>
<i>Fund balances - beginning of year</i>			<u>10,201</u>	
<i>Fund balances - end of year</i>			<u>\$ 12,438</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 2,237	
Adjustments to revenues			-	
Adjustments to expenditures			<u>3,110</u>	
Net change in fund balance (GAAP basis)			<u>\$ 5,347</u>	

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

STATE OF NEW MEXICO

Statement B-13

HARDING COUNTY

DWI USER'S 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,000	4,201	2,201
Licenses and fees	-	-	-	-
Charges for services	-	-	1,651	1,651
Interest	-	-	-	-
Miscellaneous	-	-	371	371
<i>Total revenues</i>	<u>-</u>	<u>2,000</u>	<u>6,223</u>	<u>4,223</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	5,670	7,871	5,389	2,482
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>5,670</u>	<u>7,871</u>	<u>5,389</u>	<u>2,482</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,670)</u>	<u>(5,871)</u>	<u>834</u>	<u>6,705</u>
<i>Other financing sources (uses):</i>				
Designated cash	5,670	5,871	-	5,871
Transfers in (out)	-	-	201	201
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,670</u>	<u>5,871</u>	<u>201</u>	<u>6,072</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>1,035</u>	<u>\$ 1,035</u>
<i>Fund balances - beginning of year</i>			<u>5,670</u>	
<i>Fund balances - end of year</i>			<u>\$ 6,705</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 1,035	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 1,035</u>	

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

STATE OF NEW MEXICO

Statement B-14

HARDING COUNTY

LAW ENFORCEMENT SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	21,200	21,200	21,200	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>21,200</u>	<u>21,200</u>	<u>21,200</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	21,200	21,200	19,404	1,796
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>21,200</u>	<u>21,200</u>	<u>19,404</u>	<u>1,796</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,796</u>	<u>1,796</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>1,796</u>	<u>\$ 1,796</u>
<i>Fund balances - beginning of year</i>			<u>-</u>	
<i>Fund balances - end of year</i>			<u>\$ 1,796</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 1,796	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 1,796</u>	

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

STATE OF NEW MEXICO

Statement B-15

HARDING COUNTY

RURAL ADDRESSING 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	21,050	21,050	2,826	18,224
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	3,950	3,950	3,204	746
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>25,000</u>	<u>25,000</u>	<u>6,030</u>	<u>18,970</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(6,030)</u>	<u>18,970</u>
<i>Other financing sources (uses):</i>				
Designated cash	25,000	25,000	-	25,000
Transfers in (out)	-	-	21,044	21,044
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>25,000</u>	<u>25,000</u>	<u>21,044</u>	<u>46,044</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	15,014	<u>\$ 15,014</u>
<i>Fund balances - beginning of year</i>			<u>3,956</u>	
<i>Fund balances - end of year</i>			<u>\$ 18,970</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 15,014	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 15,014</u>	

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

STATE OF NEW MEXICO

Statement B-16

HARDING COUNTY

SENIOR PROGRAM SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	114,963	111,800	100,212	(11,588)
Licenses and fees	-	-	-	-
Charges for services	-	-	54	54
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>114,963</u>	<u>111,800</u>	<u>100,266</u>	<u>(11,534)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	141,045	137,882	108,620	29,262
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>141,045</u>	<u>137,882</u>	<u>108,620</u>	<u>29,262</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(26,082)</u>	<u>(26,082)</u>	<u>(8,354)</u>	<u>17,728</u>
<i>Other financing sources (uses):</i>				
Designated cash	26,082	26,082	-	26,082
Transfers in (out)	-	-	27,000	27,000
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>26,082</u>	<u>26,082</u>	<u>27,000</u>	<u>53,082</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>18,646</u>	<u>\$ 18,646</u>
<i>Fund balances - beginning of year</i>			<u>9,082</u>	
<i>Fund balances - end of year</i>			<u>\$ 27,728</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 18,646	
Adjustments to revenues			1,217	
Adjustments to expenditures			3,915	
Net change in fund balance (GAAP basis)			<u>\$ 23,778</u>	

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

STATE OF NEW MEXICO

Statement B-17

HARDING COUNTY

FIRE DISTRICT NO.1 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	10,000	10,300	6,773	3,527
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>10,000</u>	<u>10,300</u>	<u>6,773</u>	<u>3,527</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,000)</u>	<u>(10,300)</u>	<u>(6,773)</u>	<u>3,527</u>
<i>Other financing sources (uses):</i>				
Designated cash	10,000	10,300	-	10,300
Transfers in (out)	-	-	5,105	5,105
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,000</u>	<u>10,300</u>	<u>5,105</u>	<u>15,405</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	(1,668)	<u>\$ (1,668)</u>
<i>Fund balances - beginning of year</i>			<u>5,195</u>	
<i>Fund balances - end of year</i>			<u>\$ 3,527</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ (1,668)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (1,668)</u>	

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

STATE OF NEW MEXICO

Statement B-18

HARDING COUNTY

FIRE DISTRICT NO.1 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	107,761	107,731	107,871	140
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>107,761</u>	<u>107,731</u>	<u>107,871</u>	<u>140</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	74,500	74,500	18,928	55,572
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	117,595	112,166	-	112,166
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>192,095</u>	<u>186,666</u>	<u>18,928</u>	<u>167,738</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(84,334)</u>	<u>(78,935)</u>	<u>88,943</u>	<u>167,878</u>
<i>Other financing sources (uses):</i>				
Designated cash	84,334	78,935	-	78,935
Transfers in (out)	-	-	(27,558)	(27,558)
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>84,334</u>	<u>78,935</u>	<u>(27,558)</u>	<u>51,377</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>61,385</u>	<u>\$ 61,385</u>
<i>Fund balances - beginning of year</i>			<u>106,493</u>	
<i>Fund balances - end of year</i>			<u>\$ 167,878</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 61,385	
Adjustments to revenues			-	
Adjustments to expenditures			42	
Net change in fund balance (GAAP basis)			<u>\$ 61,427</u>	

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

STATE OF NEW MEXICO

Statement B-19

HARDING COUNTY

FIRE DISTRICT NO.2 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	68,303	68,783	68,783	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	3,166	3,166	-
<i>Total revenues</i>	<u>68,303</u>	<u>71,949</u>	<u>71,949</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	56,000	59,166	35,875	23,291
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	138,094	138,574	-	138,574
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>194,094</u>	<u>197,740</u>	<u>35,875</u>	<u>161,865</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(125,791)</u>	<u>(125,791)</u>	<u>36,074</u>	<u>161,865</u>
<i>Other financing sources (uses):</i>				
Designated cash	125,791	125,791	-	125,791
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>125,791</u>	<u>125,791</u>	<u>-</u>	<u>125,791</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>36,074</u>	<u>\$ 36,074</u>
<i>Fund balances - beginning of year</i>			<u>125,791</u>	
<i>Fund balances - end of year</i>			<u>\$ 161,865</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 36,074	
Adjustments to revenues			-	
Adjustments to expenditures			1,493	
Net change in fund balance (GAAP basis)			<u>\$ 37,567</u>	

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

STATE OF NEW MEXICO

Statement B-20

HARDING COUNTY

FIRE DISTRICT NO.2 GENERAL 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	970	970
<i>Total revenues</i>	-	-	970	970
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	4,998	12,198	4,158	8,040
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	4,998	12,198	4,158	8,040
<i>Excess (deficiency) of revenues over expenditures</i>	(4,998)	(12,198)	(3,188)	9,010
<i>Other financing sources (uses):</i>				
Designated cash	4,998	12,198	-	12,198
Transfers in (out)	-	-	7,200	7,200
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	4,998	12,198	7,200	19,398
<i>Net change in fund balances</i>	\$ -	\$ -	4,012	\$ 4,012
<i>Fund balances - beginning of year</i>			4,998	
<i>Fund balances - end of year</i>			\$ 9,010	
<i>Reconciliation to GAAP Basis:</i>				
Net change in fund balances			\$ 4,012	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			\$ 4,012	

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

STATE OF NEW MEXICO

Statement B-21

HARDING COUNTY

COUNTY HEALTH PROGRAM SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,000	16,250	17,000	750
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,000</u>	<u>16,250</u>	<u>17,000</u>	<u>750</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	7,000	18,250	17,000	1,250
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>7,000</u>	<u>18,250</u>	<u>17,000</u>	<u>1,250</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>	<u>2,000</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,000	2,000	-	2,000
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<i>Fund balances - beginning of year</i>			<u>2,000</u>	
<i>Fund balances - end of year</i>			<u>\$ 2,000</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			2,000	
Net change in fund balance (GAAP basis)			<u>\$ 2,000</u>	

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

STATE OF NEW MEXICO

Statement B-22

HARDING COUNTY

ASSISTED LIVING PROJECT 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	8,234	8,234	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>8,234</u>	<u>8,234</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	94,139	94,139	-
Public works	-	-	-	-
Capital outlay	610,000	891,095	815,541	75,554
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>610,000</u>	<u>985,234</u>	<u>909,680</u>	<u>75,554</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(610,000)</u>	<u>(977,000)</u>	<u>(901,446)</u>	<u>75,554</u>
<i>Other financing sources (uses):</i>				
Designated cash	610,000	977,000	-	977,000
Transfers in (out)	-	-	834,400	834,400
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>610,000</u>	<u>977,000</u>	<u>834,400</u>	<u>1,811,400</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(67,046)</u>	<u>\$ (67,046)</u>
<i>Fund balances - beginning of year</i>			<u>142,600</u>	
<i>Fund balances - end of year</i>			<u>\$ 75,554</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ (67,046)	
Adjustments to revenues			-	
Adjustments to expenditures			12,487	
Net change in fund balance (GAAP basis)			<u>\$ (54,559)</u>	

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

STATE OF NEW MEXICO

Statement B-23

HARDING COUNTY

AFFORDABLE HOUSING PLAN 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	(14,200)	(14,200)
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(14,200)</u>	<u>(14,200)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(14,200)</u>	<u>\$ (14,200)</u>
<i>Fund balances - beginning of year</i>			<u>14,200</u>	
<i>Fund balances - end of year</i>			<u>\$ -</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ (14,200)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (14,200)</u>	

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

STATE OF NEW MEXICO

Statement B-24

HARDING COUNTY

FIRE DISTRICT NO.1 EQUIPMENT 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual
	Original	Final		Favorable (Unfavorable)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	213,872	209,671	209,671	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>213,872</u>	<u>209,671</u>	<u>209,671</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(213,872)</u>	<u>(209,671)</u>	<u>(209,671)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	213,872	209,671	-	209,671
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>213,872</u>	<u>209,671</u>	<u>-</u>	<u>209,671</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	(209,671)	<u>\$ (209,671)</u>
<i>Fund balances - beginning of year</i>			<u>213,872</u>	
<i>Fund balances - end of year</i>			<u>\$ 4,201</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ (209,671)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (209,671)</u>	

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

STATE OF NEW MEXICO

Statement B-25

HARDING COUNTY

COMMUNITY DEVELOPMENT 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	120,500	120,500	110,500	10,000
Public safety	5,000	5,000	5,000	-
Culture and recreation	-	-	-	-
Health and welfare	2,000	2,000	2,000	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>127,500</u>	<u>127,500</u>	<u>117,500</u>	<u>10,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(127,500)</u>	<u>(127,500)</u>	<u>(117,500)</u>	<u>10,000</u>
<i>Other financing sources (uses):</i>				
Designated cash	127,500	127,500	-	127,500
Transfers in (out)	-	-	123,000	123,000
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>127,500</u>	<u>127,500</u>	<u>123,000</u>	<u>250,500</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>5,500</u>	<u>\$ 5,500</u>
<i>Fund balances - beginning of year</i>			<u>4,500</u>	
<i>Fund balances - end of year</i>			<u>\$ 10,000</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 5,500	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 5,500</u>	

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

STATE OF NEW MEXICO

Statement B-26

HARDING COUNTY

SOLID WASTE SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 75,000	\$ 75,000	\$ 24,439	\$ (50,561)
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>75,000</u>	<u>75,000</u>	<u>24,439</u>	<u>(50,561)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	93,414	93,414	93,414	-
Capital outlay	55,849	55,849	-	55,849
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>149,263</u>	<u>149,263</u>	<u>93,414</u>	<u>55,849</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(74,263)</u>	<u>(74,263)</u>	<u>(68,975)</u>	<u>5,288</u>
<i>Other financing sources (uses):</i>				
Designated cash	74,263	74,263	-	74,263
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>74,263</u>	<u>74,263</u>	<u>-</u>	<u>74,263</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(68,975)</u>	<u>\$ (68,975)</u>
<i>Fund balances - beginning of year</i>			<u>74,263</u>	
<i>Fund balances - end of year</i>			<u>\$ 5,288</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ (68,975)	
Adjustments to revenues			(4,032)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (73,007)</u>	

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

STATE OF NEW MEXICO

Statement B-27

HARDING COUNTY

SAFETY NET CARE POOL 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	40,000	40,000	37,236	2,764
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>40,000</u>	<u>40,000</u>	<u>37,236</u>	<u>2,764</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(40,000)</u>	<u>(40,000)</u>	<u>(37,236)</u>	<u>2,764</u>
<i>Other financing sources (uses):</i>				
Designated cash	40,000	40,000	-	40,000
Transfers in (out)	-	-	39,999	39,999
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>40,000</u>	<u>40,000</u>	<u>39,999</u>	<u>79,999</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>2,763</u>	<u>\$ 2,763</u>
<i>Fund balances - beginning of year</i>			<u>1</u>	
<i>Fund balances - end of year</i>			<u>\$ 2,764</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 2,763	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 2,763</u>	

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

STATE OF NEW MEXICO

Statement B-28

HARDING COUNTY

INFORMATION TECHNOLOGY 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual
	Original	Final		Favorable (Unfavorable)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	211,146	211,146	-	211,146
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	105,573	105,573	-	105,573
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>316,719</u>	<u>316,719</u>	<u>-</u>	<u>316,719</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(316,719)</u>	<u>(316,719)</u>	<u>-</u>	<u>316,719</u>
<i>Other financing sources (uses):</i>				
Designated cash	316,719	316,719	-	316,719
Transfers in (out)	-	-	156,800	156,800
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>316,719</u>	<u>316,719</u>	<u>156,800</u>	<u>473,519</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	156,800	<u>\$ 156,800</u>
<i>Fund balances - beginning of year</i>			<u>163,949</u>	
<i>Fund balances - end of year</i>			<u>\$ 320,749</u>	
<i>Reconciliation to GAAP Basis:</i>				
Net change in fund balances			\$ 156,800	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 156,800</u>	

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

STATE OF NEW MEXICO

Statement B-29

HARDING COUNTY

FIRE DISTRICT NO.1 WILDFIRE 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	4,305	4,305	123	4,182
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>4,305</u>	<u>4,305</u>	<u>123</u>	<u>4,182</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,305)</u>	<u>(4,305)</u>	<u>(123)</u>	<u>4,182</u>
<i>Other financing sources (uses):</i>				
Designated cash	4,305	4,305	-	4,305
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,305</u>	<u>4,305</u>	<u>-</u>	<u>4,305</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(123)</u>	<u>\$ (123)</u>
<i>Fund balances - beginning of year</i>			<u>4,305</u>	
<i>Fund balances - end of year</i>			<u>\$ 4,182</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ (123)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (123)</u>	

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

STATE OF NEW MEXICO

Statement B-30

HARDING COUNTY

ROSEBUD WILDLAND 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	1,740	2,177	437
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,740</u>	<u>2,177</u>	<u>437</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	2,756	4,496	-	4,496
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,756</u>	<u>4,496</u>	<u>-</u>	<u>4,496</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,756)</u>	<u>(2,756)</u>	<u>2,177</u>	<u>4,933</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,756	2,756	-	2,756
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,756</u>	<u>2,756</u>	<u>-</u>	<u>2,756</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>2,177</u>	<u>\$ 2,177</u>
<i>Fund balances - beginning of year</i>			<u>2,756</u>	
<i>Fund balances - end of year</i>			<u>\$ 4,933</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 2,177	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 2,177</u>	

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

STATE OF NEW MEXICO

Statement B-31

HARDING COUNTY

BUILDING RESTORATION 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	929,927	929,927	-	929,927
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>929,927</u>	<u>929,927</u>	<u>-</u>	<u>929,927</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(929,927)</u>	<u>(929,927)</u>	<u>-</u>	<u>929,927</u>
<i>Other financing sources (uses):</i>				
Designated cash	929,927	929,927	-	929,927
Transfers in (out)	-	-	208,640	208,640
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>929,927</u>	<u>929,927</u>	<u>208,640</u>	<u>1,138,567</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>208,640</u>	<u>\$ 208,640</u>
<i>Fund balances - beginning of year</i>			<u>929,927</u>	
<i>Fund balances - end of year</i>			<u>\$ 1,138,567</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 208,640	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 208,640</u>	

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

STATE OF NEW MEXICO

Statement B-32

HARDING COUNTY

IMPROVEMENT SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	704,869	227,869	-	227,869
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>704,869</u>	<u>227,869</u>	<u>-</u>	<u>227,869</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(704,869)</u>	<u>(227,869)</u>	<u>-</u>	<u>227,869</u>
<i>Other financing sources (uses):</i>				
Designated cash	704,869	227,869	-	227,869
Transfers in (out)	-	-	(477,000)	(477,000)
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>704,869</u>	<u>227,869</u>	<u>(477,000)</u>	<u>(249,131)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(477,000)</u>	<u>\$ (477,000)</u>
<i>Fund balances - beginning of year</i>			<u>704,869</u>	
<i>Fund balances - end of year</i>			<u>\$ 227,869</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ (477,000)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (477,000)</u>	

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

STATE OF NEW MEXICO

Statement B-33

HARDING COUNTY

LAND ACQUISITION PROJECT 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	837,319	837,319	(5,000)	842,319
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>837,319</u>	<u>837,319</u>	<u>(5,000)</u>	<u>842,319</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(837,319)</u>	<u>(837,319)</u>	<u>5,000</u>	<u>842,319</u>
<i>Other financing sources (uses):</i>				
Designated cash	837,319	837,319	-	837,319
Transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>837,319</u>	<u>837,319</u>	<u>-</u>	<u>837,319</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>5,000</u>	<u>\$ 5,000</u>
<i>Fund balances - beginning of year</i>			<u>837,319</u>	
<i>Fund balances - end of year</i>			<u>\$ 842,319</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ 5,000	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 5,000</u>	

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

STATE OF NEW MEXICO

Statement B-34

HARDING COUNTY

DEBT SERVICE 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, 2016

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	164	164	164	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	19,578	19,578	19,578	-
Interest	2,417	2,417	2,417	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>22,159</u>	<u>22,159</u>	<u>22,159</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(22,159)</u>	<u>(22,159)</u>	<u>(22,159)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	22,159	22,159	-	22,159
Transfers in (out)	-	-	22,159	22,159
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>22,159</u>	<u>22,159</u>	<u>22,159</u>	<u>44,318</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<i>Fund balances - beginning of year</i>			<u>-</u>	
<i>Fund balances - end of year</i>			<u>\$ -</u>	
Reconciliation to GAAP Basis:				
Net change in fund balances			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

SUPPORTING SCHEDULES

STATE OF NEW MEXICO

Schedule I

HARDING COUNTY

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments:	\$ 1,411,313	\$ 692,135	\$ 84,456	\$ 2,018,992
Property taxes receivable	-	1,171,452	258,619	912,833
<i>Total assets</i>	<u>\$ 1,411,313</u>	<u>\$ 1,863,587</u>	<u>\$ 343,075</u>	<u>\$ 2,931,825</u>
LIABILITIES				
<i>Current liabilities:</i>				
Due to other taxing units	\$ 1,411,313	\$ 1,863,587	\$ 343,075	\$ 2,931,825
<i>Total liabilities</i>	<u>\$ 1,411,313</u>	<u>\$ 1,863,587</u>	<u>\$ 343,075</u>	<u>\$ 2,931,825</u>

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

STATE OF NEW MEXICO
HARDING COUNTY
SCHEDULE OF DEPOSITORIES
JUNE 30, 2016

Schedule II

Bank Account Type/Name	Farmers and Stocckmans Bank	Wells Fargo Bank	Grand Total
<i>BALANCE PER BANK</i>			
Treasurer	\$ 1,170,094	\$ -	\$ 1,170,094
Checking - MMA	1,732,514	-	1,732,514
CD #8521028	503,509	-	503,509
CD #8521031	480,296	-	480,296
CD #8521029	518,513	-	518,513
CD #8521619	250,000	-	250,000
CD #8521667	401,817	-	401,817
CD #8521663	250,000	-	250,000
CD #8521677	300,000	-	300,000
CD #06740KGY7	-	250,000	250,000
CD #38147JQU9	-	250,000	250,000
CD #36157PXD6	-	250,000	250,000
CD #05580ACV4	-	250,000	250,000
CD #02587DWZ7	-	250,000	250,000
<i>Total on deposit</i>	<u>5,606,743</u>	<u>1,250,000</u>	<u>6,856,743</u>
<i>Reconciling items</i>	<u>(144,423)</u>	<u>-</u>	<u>(144,423)</u>
<i>Reconciled balance, end of year</i>	<u>\$ 5,462,320</u>	<u>\$ 1,250,000</u>	<u>\$ 6,712,320</u>
Add: Cash on hand			<u>250</u>
			6,712,570
Less: Agency Fund			<u>2,018,992</u>
<i>Total cash and cash equivalents</i>			<u>\$ 4,693,578</u>

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

STATE OF NEW MEXICO
HARDING COUNTY
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2016

Schedule III
Page 1 of 2

Name of Depository	Description of Pledged Collateral	Fair Market Value	Name and Location of Safekeeper
Farmer's and Stockman's Bank	FHLB LOC, 7/15/16 CUSIP 3615000006	650,000	Federal Home Loan Bank Dallas, Texas
Farmer's and Stockman's Bank	FHLB LOC, 8/31/16 CUSIP 3615000008	3,310,000	Federal Home Loan Bank Dallas, Texas
Farmer's and Stockman's Bank	FHLB LOC, 12/31/16 CUSIP 3615000004	250,000	Federal Home Loan Bank Dallas, Texas
Farmer's and Stockman's Bank	FHLB LOC, 3/31/17 CUSIP 3615000007	300,000	Federal Home Loan Bank Dallas, Texas
Farmer's and Stockman's Bank	FHLB LOC, 12/29/16 CUSIP 3615000020	800,000	Federal Home Loan Bank Dallas, Texas
Farmer's and Stockman's Bank	FHLB LOC, 12/27/17 CUSIP 3615000024	400,000	Federal Home Loan Bank Dallas, Texas
Farmer's and Stockman's Bank	FHLB LOC, 12/29/16 CUSIP 3615000025	2,000,000	Federal Home Loan Bank Dallas, Texas
TOTAL Farmer's and Stockman's Bank		7,710,000	

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

STATE OF NEW MEXICO
HARDING COUNTY
TAX ROLL RECONCILIATION - CHANGES IN PROPERTY TAX RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2016

Property Taxes Receivable, beginning of year	\$	14,914
Changes to Tax Roll:		
Net taxes charged to treasurer for fiscal year		2,324,331
Adjustments:		
Increases/(Decreases) in taxes receivables		2,898
Charge off of taxes receivables		(186,792)
		<hr/>
Total receivables prior to collections		2,155,351
Collections for fiscal year ended June 30, 2016		(258,619)
		<hr/>
Property taxes receivable, end of year	\$	<u><u>1,896,732</u></u>
Property Taxes receivable by years:		
2006	\$	306
2007		32
2008		49
2009		50
2010		62
2011		602
2012		394,739
2013		471,776
2014		517,338
2015		511,778
		<hr/>
Total taxes receivable	\$	<u><u>1,896,732</u></u>

STATE OF NEW MEXICO
HARDING COUNTY
TAX ROLL RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

Schedule V

Agency/Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year-end	County Receivable at Year-End
NM Debt Service							
2015	\$ 137,063	\$ 98	\$ 98	\$ 95,382	\$ 95,382	\$ 11,139	\$ 30,640
2014	121,094	34	68	348	88,471		32,691
2013	103,290	-	3,352	188	74,599	542	31,501
2012	104,535	-	500	32	75,782	152	29,101
2011	98,006	-	8,362	-	105,953	386	29
2010	80,301	-	1,698	-	81,888	108	4
2009	62,353	-	1,211	-	57,583	5,978	3
2008	31,891	-	1,328	-	32,575	641	4
2007	30,969	-	808	-	26,064	5,712	1
2006	25,937	-	1,080	-	26,205	808	4
Subtotal	<u>795,439</u>	<u>132</u>	<u>18,505</u>	<u>95,950</u>	<u>664,502</u>	<u>25,464</u>	<u>123,978</u>
CO Operation							
2015	1,080,900	765	765	748,922	748,922	88,864	243,878
2014	939,675	267	534	2,400	684,036	-	256,173
2013	814,005	-	26,692	1,291	585,113	4,301	251,284
2012	824,688	-	3,993	251	595,327	1,213	232,140
2011	746,800	-	64,443	-	808,049	2,976	218
2010	544,649	-	11,663	-	555,545	740	27
2009	528,266	-	10,359	-	487,491	51,108	26
2008	262,528	-	11,523	-	268,614	5,412	25
2007	264,307	-	7,181	-	220,726	50,752	11
2006	208,020	-	9,076	-	210,273	6,792	31
Subtotal	<u>6,213,837</u>	<u>1,032</u>	<u>146,229</u>	<u>752,864</u>	<u>5,164,095</u>	<u>212,157</u>	<u>983,814</u>
Mun Operation							
2015	4,965	8	8	4,740	4,740	62	172
2014	4,916	-	-	231	4,870	-	45
2013	4,746	-	38	109	4,761	15	9
2012	4,731	-	3	1	4,728	0	6
2011	4,521	-	-	-	4,521	-	0
2010	4,344	-	-	-	4,338	-	6
2009	3,998	-	-	-	3,955	39	4
2008	3,940	-	-	-	3,936	0	3
2007	3,646	-	-	-	3,644	-	2
2006	3,465	-	-	-	3,463	-	2
Subtotal	<u>43,271</u>	<u>8</u>	<u>49</u>	<u>5,080</u>	<u>42,956</u>	<u>116</u>	<u>248</u>
Sch Levy							
2015	49,627	35	35	34,332	34,332	4,094	11,235
2014	43,219	12	24	106	31,399	-	11,844
2013	37,394	-	1,229	58	26,846	198	11,580
2012	37,202	-	180	12	26,844	55	10,483
2011	33,314	-	2,867	-	36,035	136	10
2010	24,371	-	522	-	24,859	33	1
2009	23,926	-	472	-	22,099	2,298	1
2008	11,964	-	531	-	12,246	247	1
2007	12,048	-	331	-	10,043	2,336	0
2006	9,486	-	418	-	9,590	313	1
Subtotal	<u>282,550</u>	<u>47</u>	<u>6,610</u>	<u>34,507</u>	<u>234,292</u>	<u>9,711</u>	<u>45,158</u>
Sch Debt Serv							
2015	771,628	484	484	527,678	527,678	65,380	179,053
2014	605,869	175	299	1,436	437,855	-	168,314
2013	425,244	-	13,828	671	305,887	2,230	130,955
2012	293,230	-	1,389	109	214,402	418	79,799
2011	237,068	-	19,308	-	255,277	1,031	68
2010	282,753	-	6,014	-	288,368	384	15
2009	117,718	-	2,153	-	111,000	8,861	10
2008	85,570	-	3,280	-	87,273	1,566	11
2007	167,917	-	3,932	-	146,701	25,135	14
2006	130,936	-	4,411	-	131,928	3,396	23
Subtotal	<u>3,117,933</u>	<u>659</u>	<u>55,099</u>	<u>529,894</u>	<u>2,506,368</u>	<u>108,401</u>	<u>558,263</u>

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

STATE OF NEW MEXICO
HARDING COUNTY
TAX ROLL RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

Schedule V

Agency/Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year-end	County Receivable at Year-End
Sch Capt Imprv							
2015	200,400	141	141	139,143	139,143	16,379	45,019
2014	174,906	49	96	493	127,560	-	47,442
2013	151,635	-	4,927	275	109,443	796	46,323
2012	153,590	-	736	46	111,309	224	42,793
2011	143,148	-	12,223	-	154,763	565	43
2010	104,783	-	2,219	-	106,856	141	5
2009	97,682	-	1,889	-	90,367	9,199	5
2008	50,361	-	2,124	-	51,462	1,018	5
2007	50,431	-	1,324	-	42,410	9,342	3
2006	40,127	-	1,673	-	40,542	1,252	6
Subtotal	1,167,063	191	27,352	139,958	973,856	38,915	181,644
Ute Creek							
2015	2,905	-	-	2,891	2,891	-	14
2014	2,905	-	-	7	2,905	-	0
2013	2,906	-	-	-	2,905	-	0
2012	2,905	-	6	-	2,911	-	0
2011	2,882	-	-	-	2,882	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
Subtotal	14,503	-	6	2,898	14,495	-	15
Cattle Levy							
2015	49,136	581	581	48,823	48,823	-	894
2014	36,823	-	244	22	36,414	-	652
2013	31,380	-	6,500	-	33,921	3,887	73
2012	32,319	-	3,493	-	34,434	1,117	262
2011	36,514	-	-	-	34,324	2,023	167
2010	30,510	-	1,675	-	31,540	645	0
2009	35,731	-	1,095	-	36,826	-	-
2008	35,190	-	1,837	-	37,027	-	-
2007	43,691	-	1,462	-	45,153	-	0
2006	40,950	-	3,682	-	42,626	2,006	(0)
Subtotal	372,245	581	20,570	48,845	381,089	9,677	2,049
Sheep Levy							
2015	10	-	-	8	8	-	2
2014	5	-	-	-	5	-	-
2013	7	-	-	-	7	-	-
2011	6	-	-	-	6	-	-
2010	6	-	-	-	6	-	-
2009	6	-	-	-	6	-	-
2008	5	-	-	-	5	-	-
2007	13	-	-	-	13	-	-
2006	21	-	-	-	21	-	-
-	-	-	-	-	-	-	-
Subtotal	79	-	-	8	77	-	2

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

STATE OF NEW MEXICO
HARDING COUNTY
TAX ROLL RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

Schedule V

Agency/Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year-end	County Receivable at Year-End
Goats Levy							
2011	2	-	-	-	2	-	-
2010	2	-	-	-	2	-	-
2008	0	-	-	-	0	-	-
2006	18	-	-	-	-	-	18
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
Subtotal	21	-	-	-	3	-	18
Equine Levy							
2015	453	-	-	445	445	-	8
2014	436	-	7	8	443	-	-
2013	434	-	14	-	448	-	-
2012	762	-	153	-	915	-	-
2011	1,282	-	-	-	468	812	2
2010	488	-	15	-	499	3	-
2009	536	-	13	-	541	8	0
2007	1,244	-	75	-	1,308	11	(0)
2006	1,454	-	9	-	1,422	41	-
-	-	-	-	-	-	-	-
Subtotal	7,087	-	286	453	6,490	874	10
Pred Ctl Ctl							
2015	23,801	249	249	23,297	23,297	-	753
2014	10,691	-	58	6	10,595	-	154
2013	8,053	-	2,302	-	8,914	1,401	41
2012	10,470	-	1,049	-	11,057	318	144
2011	14,232	-	-	-	13,601	571	61
2010	15,301	-	635	-	15,690	246	-
2009	14,592	-	364	-	14,955	-	-
2008	14,341	-	949	-	15,290	-	-
2007	16,213	-	484	-	16,697	-	-
2006	15,378	-	2,464	-	17,307	534	-
Subtotal	143,069	249	8,552	23,303	147,401	3,068	1,152
Prep Ctl SH/GT							
2015	52	-	-	41	41	-	11
2014	22	-	-	-	22	-	-
2013	18	-	-	-	18	-	-
2011	34	-	-	-	34	-	-
2010	38	-	-	-	38	-	-
2009	36	-	-	-	36	-	-
2008	27	-	-	-	27	-	-
2007	55	-	-	-	55	-	-
2006	291	-	-	-	71	-	220
-	-	-	-	-	-	-	-
Subtotal	570	-	-	41	339	-	231

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

STATE OF NEW MEXICO
HARDING COUNTY
TAX ROLL RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

Schedule V

Agency/Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year-end	County Receivable at Year-End
Non-Rendition							
2010	-	-	160	-	160	-	-
2009	-	-	192	-	192	-	-
2008	-	-	113	-	113	-	-
2007	-	-	12	-	12	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
Subtotal	-	-	476	-	476	-	-
Administrative							
2015	325	-	-	288	288	-	36
2014	313	-	-	34	295	-	18
2013	365	-	2	5	352	5	10
2012	367	-	-	2	355	2	10
2011	383	-	-	-	378	-	5
2010	350	-	-	-	345	-	5
2009	419	-	-	-	419	-	-
2008	403	-	-	-	400	3	(0)
2007	305	-	-	-	305	-	-
2006	330	-	-	-	330	-	-
Subtotal	3,559	-	2	329	3,467	10	85
Mesa Soil/Wtr							
2015	3,066	-	-	3,004	3,004	-	62
2014	3,029	-	-	24	3,025	-	4
2012	2,743	-	-	2	2,743	-	-
2011	2,738	-	-	-	2,738	-	-
2010	3,546	-	-	-	3,539	6	0
2009	3,551	-	-	-	3,551	-	-
2008	2,194	-	-	-	2,194	-	-
2007	2,090	-	-	-	2,090	-	-
2006	1,974	-	-	-	1,974	-	-
-	-	-	-	-	-	-	-
Subtotal	\$ 24,930	\$ -	\$ -	\$ 3,029	\$ 24,857	\$ 6	\$ 66

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

STATE OF NEW MEXICO
HARDING COUNTY

Schedule IV

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OF PERA FUND DIVISION**

Public Employees retirement Association (PERA) Plan
Last 10 Fiscal Years*
JUNE 30, 2016

	2016 Municipal General	2015 Municipal General	2016 Municipal Police	2015 Municipal Police
Proportion of the net pension liability	0.0705%	0.0751%	1.0620%	0.0233%
Proportionate share of the net pension liability	718,809	585,861	119,252	75,955
Covered-employee payroll	529,285	551,375	70,206	88,417
Proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	135.81%	106.25%	169.86%	85.91%
Plan fiduciary net position as a percentage of the total pension liability	0.0705%	0.0751%	0.0248%	0.0233%

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

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

Contractually required contribution	55,755	59,023	12,208	9,563
Contributions in relation to the contractually required contribution	55,755	59,023	12,208	9,563
Contribution deficiency (excess)	-	-	-	-
County's covered-employee payroll	529,285	551,375	70,206	88,417
Contributions as a percentage of covered-employee payroll	10.53%	10.70%	17.39%	10.82%

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

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY15 audit available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2015 report is available at <http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/6-30-2015-PERA-Valuation-Report-FINAL.pdf>. See appendix B on pages 53-61 of the report which summarizes actuarial assumptions and methods effective with the June 30, 2014 valuation.

Changes in assumption resulted in a decrease of \$91.8 million to the total pension liability for the PERA Fund and an increase of 0.42% to the funded ratio for the year ended June 30, 2015. See more details of actuarial methods and assumptions on Note 2 on page 34 of PERA's Schedule of Employer Allocations and Pension amounts at http://osanm.org/media/audits/366-B_PERA_Schedule_of_Employer_Allocations_FY2015.pdf

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

HARDING COUNTY
 SCHEDULE OF VENDOR INFORMATION
 For the Year Ended June 30, 2016

<i>Agency Number</i>	<i>Agency Name</i>	<i>Agency Type</i>	<i>RFB#/RFP# (if applicable)</i>	<i>Type of Procurement</i>	<i>Vendor Name</i>	<i>Did Vendor Win Contract?</i>	<i>\$ Amount of Awarded Contract</i>
5011	Harding County	Counties	N/A	Competitive (RFP or RFB)	Deep South Fire Trucks	Winner	\$209,670.80
5011	Harding County	Counties	N/A	Competitive (RFP or RFB)	Hartley Construction	Winner	\$107,420.48
5011	Harding County	Counties	N/A	Competitive (RFP or RFB)	Pacheco Construction	Winner	\$65.17

HARDING COUNTY
 SCHEDULE OF VENDOR INFORMATION
 For the Year Ended June 30, 2016

<i>\$ Amount of Amended Contract</i>	<i>Physical address of vendor (City, State)</i>	<i>Did the Vendor provide documentation of eligibility for in-state preference?</i>	<i>Did the Vendor provide documentation of eligibility for veterans' preference?</i>	<i>Brief Description of the Scope of Work</i>	<i>If the procurement is attributable to a Component Unit, Name of Component Unit</i>
N/A	PO Box 293 SEMINARY, MS	Yes	No	Rural Fire Department	N/A
N/A	50 Guest Ranch Roy, NM	No	No	Road Construction	N/A
N/A	P O Box 1405 Tucumcari, NM	No	No	Road Construction	N/A

COMPLIANCE SECTION



Griego Professional Services, LLC

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

Tim Keller, New Mexico State Auditor
The Office of Management and Budget
The Board of Harding County Commissioners
Harding County
Mosquero, New Mexico

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds, of Harding County, New Mexico (the County) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual funds and related budgetary comparisons of the County, presented as supplementary information, and have issued our report thereon dated January 9, 2017. Our report qualified our opinion on such financial statements because we were unable to verify sufficient appropriate audit evidence regarding amount of historical assets as well as related accumulated depreciation.

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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies. FS 2015-003, FS 2015-004 and FS 2015-006.

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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item FS 2013-003.

The County's Responses to Findings

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

Purpose of this Report

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

GRIEGO PROFESSIONAL SERVICES, LLC

A handwritten signature in cursive script that reads "Griego Professional Services, LLC".

Albuquerque, New Mexico

January 9, 2017

STATE OF NEW MEXICO
HARDING COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2016

Section I – Summary of Audit Results

Financial Statements:

- | | |
|--|-----------|
| 1. Type of auditors' report issued | Qualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified? | Yes |
| c. Noncompliance material to financial statements noted? | No |

STATE OF NEW MEXICO
HARDING COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2016

Section II – FINANCIAL STATEMENT FINDINGS

FS 2015-003 (Significant Deficiency) Information Technology and Financial Reporting

Condition: The trial balance was not in balance at June 30, 2016 due to dormant agency funds which were exported with dormant balances. The County is in the process of working with the accounting software to insure accurate reports are processed in the future.

Criteria: Section 12-6-5 NMSA, 1978, requires governments to maintain “good accounting practices.” Basic accounting principles rely on maintaining the balance of the accounting equation (assets, deferred outflows = liabilities, deferred inflows, net position or fund balance) to ensure all transactions are properly recorded in order to prepare financial reports and financial statements free of misstatement. Elected officials and management rely on the accuracy of financial reports for policy decisions, management of the County and budgetary compliance. Accounting systems should provide for control measures which would not permit entries to be posted to cause the general ledger to be out of balance to provide integrity and confidence of users of the financial information.

Effect: Financial reports of County Government were misstated and could not be relied on to make policy decisions, County management or for budgetary compliance. Financial statements could not be prepared from the trial balance because it was not in balance.

Cause: For unexplained reasons, a credit was posted to the general ledger without an offsetting debit. The offending entry may be related to the recording on an intercept transaction. These are transactions in which the Taxation and Revenue Department withholds tax or other revenues and applies the collected revenue to County debt payments with the New Mexico Finance Authority. County personnel do not understand why the system posted this entry.

The County uses the cash basis accounting software – Triadic. Since an intercept transaction does not involve the receipt of cash, the transaction must be posted by journal entry. The transaction is made more complex as the debt payment is budgeted in the debt service fund and, therefore, involves a transfer from the fire fund to the debt service fund.

Recommendation: The County must utilize the accounting system to generate accurate trial balance reports for audit and other reporting purposes. The County’s Treasurer and Finance Director have been working with the accounting system to generate proper reports. The County should seek additional training on the accounting system to insure accuracy and complete reports are provided in the future.

Managements Response: The Treasurer and the Finance Director are working together with the accounting system to ensure accurate and timely trial balances are produce. The Treasurer’s office is identifying agency funds that are being utilized by the County and correcting the accounting system accordingly.

Corrective Action: The County Treasurer is currently processing and correcting the agency fund balances to insure compliance no later than June 30, 2017.

FS 2015-004 (Significant Deficiency) Lack of Policies, Procedures and Internal Controls

Condition: Management’s list of receivables to the auditors to assist in converting the cash basis system of accounting to accrual for year-end receivables was not complete. Audit procedures were required to insure complete Accounts receivable and payable balances. The County is working with the current auditor to insure proper schedules are maintained in the future for receivables and payables.

STATE OF NEW MEXICO
HARDING COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2016

Criteria: Section 12-6-5 NMSA, 1978, requires governments to maintain “good accounting practices”. Among management’s responsibility as provided by *Government Auditing Standards* 1.02 is that, “...Management and officials of government programs are responsible for providing reliable, useful and timely information for transparency and accountability...” Chapter 3 of *Government Auditing Standards* allows auditors to perform nonaudit services for governments to propose journal entries to convert a cash basis accounting system to the accrual basis and assist in the preparation of financial statements from information provided by management and for which management accepts responsibility and other requirements.

State Audit Rule, 2.2.2.8 O NMAC provides that, “The Agency shall maintain adequate records...and provide complete, accurate and timely information to the IPA as requested...” The State Audit Rule also requires that financial statements be prepared in accordance with generally accepted accounting principles (GAAP).

Although the County’s books of account are maintained on the cash basis, Management must still maintain information necessary to prepare the GAAP financial statements to include accurate receivables and payables data. Proper recording of accruals is critical to ensuring financial statements are not misstated.

Receivables records are also particularly important for controlling grant revenues billed by the government, to ensure collection is not overlooked and monitored for timely receipt.

Effect: Information provided by Management, necessary for converting the cash basis books of account to accrual, was not complete or accurate and does not allow Management in the normal course of business to detect and correct misstatements in the financial statements on a timely basis.

Cause: Harding County does not have policies or procedures in place to record accrual information and personnel are generally not familiar with accrual accounting requirements for financial statements.

Recommendation: The County should implement policies and procedures which provide auditor’s adjustments to the cash basis of accounting to encompass all necessary accrual entries for GAAP presentation of financial statements.

Management’s Response: Treasurer attended an Accounting Seminar in Santa Fe, NM on August 1-3, 2016 to better understand the conversion of cash basis to accrual, which takes place one day a year on June 30th. Treasurer also reached out to Triadic for a crash course and a better understanding of cash basis to accrual conversion.

Corrective Action: The Treasurer’s Office will work closely with the Finance Division in order to reconcile the trial balance and prepare accrual entries as of June 30, 2017.

FS 2015-006 (Significant Deficiency) Revenue and Receivables

Condition: Delinquent property taxes receivables were not reconciled timely on a monthly basis to the property tax subsidiary ledger. The final reconciliation was provided to the auditor on January 4, 2017. The County Treasurer’s Office now understands the schedule required and is in the process of preparing the schedule monthly to avoid this finding in the future.

The Triadic subsidiary ledger of delinquent property taxes receivable includes protested property taxes, paid by the protesting taxpayer as required by law. The protested property tax is considered receivable until distributed.

STATE OF NEW MEXICO
HARDING COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2016

Criteria: In order to maintain “adequate accounting records” as required by 2.2.2.8 O NMAC, a monthly reconciliation of property taxes receivable is required to ensure the assessment, collection and adjustments are properly applied.

2.2.2.12 D NMAC requires that the financial statements include the County Treasurer’s Property Tax Schedule, including all protested property taxes, which are recorded as deferred revenue in the financial statements.

Effect: The County is at risk that property tax assessment, adjustment and collections could be improperly recorded such that Management, in the normal course of business, would not timely detect, prevent or correct errors which could result in misstatement of the financial statements.

Cause: The County did not have internal control policies or procedures that require the reconciliation of delinquent property taxes receivable to preclude the possibility of misstatement.

Triadic distributes collected property taxes to the appropriate County revenue account or taxing jurisdiction in the Agency Funds. Since the protested property taxes cannot be distributed, the system continues to carry taxes in suspense as receivable until resolution of the tax protest by the Courts.

Recommendation: We recommend the preparation of a monthly reconciliation of delinquent property taxes receivable to ensure accuracy. We recommend that the County continues to prepare property tax receivable reconciliations monthly as required and prepares the 10 year schedule required under State Audit Rule no less than annually. .

Management’s Response: Treasurer was indeed keeping a subsidiary ledger of the delinquent tax receivables, on a monthly and annual basis, but did not understand and complete the process of Reconciling. The annual report was presented to the prior auditor, but surprisingly the report did not appear in the final audit. Treasurer reached out for assistance from neighboring County Treasurer’s. The blanks have been filled in, and Treasurer now understands the importance of reconciling. Treasurer understands what is expected of her on a monthly and annual basis. As indicated, a reconciled 10 year schedule has been given to the auditor.

Corrective Action: The County believes this finding has been addressed and the ten year property schedule and reconciliation will be provided timely for future audits.

FS 2015-007 (Material Weakness) (Material Noncompliance) Capital Assets

Condition: The subsidiary capital asset ledger was not maintained or certified for fiscal year 2016. The County’s capital asset listing is not complete as of June 30, 2016. The County is currently preparing a capital asset listing that may be certified within the next fiscal year. The County is taking steps to update the capital asset listing and maintain a current and accurate listing going forward.

As a result of the above, a certified inventory of capital assets was not taken for the year and was not available for presentation to the auditors.

The County computed depreciation expense for the year ended June 30, 2016 to the extent of known capital assets. Depreciation was not computed for fiscal year 2016.

Criteria: Section 12-6-10 NMSA, 1978, requires agencies to conduct an annual physical inventory of movable chattels and equipment at the end of each year, certify the correctness, and provide the auditor a copy of the certified inventory. This section also requires agencies to capitalize only chattels and equipment costs of over \$5,000.

GASB Codification 1400 requires the reporting of capital assets in the financial statements and also recording of depreciation.

STATE OF NEW MEXICO
HARDING COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2016

County officials have a duty to report, safeguard and provide stewardship over County assets for the benefit of the taxpayers.

Effect: County Government is not in compliance with the statutory requirement of conducting an annual inventory and related accumulated depreciation.

Cause: In April of 2015, the County Finance Director suddenly resigned and a new Finance Director was appointed. The previous Finance Director had not maintained the capital asset ledger for the year. Accounting records were in piles and had been left for the successor to locate and file. As a result; the County has not updated its capital asset listing to insure accuracy.

Recommendation: We recommend the continued verification and collection of data to complete an accurate capital asset listing no later than June 30, 2017.

Management's Response: The Finance Director started in April, 2016, which had no training, nor anytime to input the inventory. The new Finance Director has already started gathering inventory list and inputting into the Triadic system. Triadic management was here on December 22nd to assist.

Corrective Action: All inventory is in the system. The capital assets are now placed in the inventory software monthly. Triadic is now assisting at getting the clichés out of the system for some errors that our auditor for FY 15-16 has informed us about.

FS 2013-003 (Other Noncompliance) Late Audit Report

Condition: The audit report was submitted to the State Auditor after the required deadline of November 1, 2016. The County and their current auditor are working to insure timeliness in future audits.

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

Effect: The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, etc., do not have timely audit reports and financial statements for their review. Late audit reports could have an effect on state and federal funding.

Cause: The report was late due to the County not maintaining a proper 10 year property tax schedule. In the past years, the County was issued a disclaimer of opinion due to the exclusion of the report and the material financial transactions which are required to be presented in the financial statements.

Auditor's Recommendation: The County should ensure that accounts and properly reconciled and ready for audit so that the audit can be completed and filed on a timely basis.

Management Response: The County Finance and Treasurer's office have continued to work together resolving issue from previous administrations. We believe the 2016 audit will be the final late report as we believe we have or will address the property tax receivable and capital asset issues no later than June 30, 2017. We are currently reconciling the ten year schedule monthly and capital asset listing are expected to be completely inclusive as of June 30 2017.

Corrective Action: As indicated, the County Manager and the Treasurer's office will work more closely together to ensure all items indicated in the 2015 report are addressed no later than June 30, 2017. We have currently completed and addressed many of the issues addressed in the 2015 and 2016 audit reports.

STATE OF NEW MEXICO
HARDING COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2016

Section III – PRIOR YEAR AUDIT FINDINGS

FS 2015-001 - Segregation of Duties, Lack of Policies, Procedures and Internal Controls - Resolved.
FS 2015-002 – Procurement - Resolved.
FS 2015-003 – Information Technology and Financial Reporting – Repeated and Revised.
FS 2015-004 – Lack of Policies, Procedures and Internal Controls – Repeated and Revised.
FS 2015-005 – Payroll and Related Liabilities – Resolved.
FS 2015-006 – Revenue and Receivables – Repeated and Revised.
FS 2015-007 – Capital Assets – Repeated and Revised.
FS 2015-008 – Travel and Per Diem – Resolved.
FS 2015-009 – Lack of Policies, Procedures and Internal Control – Resolved.
FS 2015-010 – Financial Reporting – Resolved.
FS 2015-011 – Budgeting Compliance – Resolved.
FS 2015-012 – Revenue and Receivables – Resolved.
FS 2013-003 – Late Audit Report – Repeated and Revised.
FS 2014-001 – Bank Reconciliation – Resolved.

Section IV – OTHER DISCLOSURES

Auditor Prepared Financials

Griego Professional Services, LLC assisted in the preparation of the financial statements presented in this report. The County’s management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.

Exit Conference

The contents of this report were discussed on January 9, 2017. The following individuals were in attendance.

Harding County

Harold Mackey, Commissioner
Robert Aragon, Commissioner
Rebecca Smith, Commissioner
Felicia Esquibel, Treasurer
Evangeline Garrison, County Manager

Griego Professional Services, LLC

J.J. Griego, CPA