

STATE OF NEW MEXICO
LEA COUNTY

Financial Statements

June 30, 2016



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
LEA COUNTY
OFFICIAL ROSTER
JUNE 30, 2016**

Board of County Commissioners

| Name | Title |
|-------------------|--------------------------|
| Gregory H. Fulfer | Chairman |
| Ron R. Black | Commission Vice-Chairman |
| Dale G. Dunlap | Member |
| Rebecca Long | Member |
| James Britton | Member |

County Officials

| | |
|-------------------|------------------|
| Sharla Kennedy | County Assessor |
| Donna Duncan | County Treasurer |
| Pat Chappelle | County Clerk |
| Steve Ackerman | Probate Judge |
| Chip Low, CPA | Finance Director |
| Michael Gallagher | County Manager |

**STATE OF NEW MEXICO
LEA COUNTY
TABLE OF CONTENTS
JUNE 30, 2016**

| | Page |
|---|-------|
| INTRODUCTORY SECTION | |
| Official Roster | i |
| Table of Contents | ii-iv |
| FINANCIAL SECTION | |
| Independent Auditor’s Report | 1-3 |
| Basic Financial Statements | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 4-5 |
| Statement of Activities | 6-7 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Funds | 8 |
| Reconciliation of the Balance Sheet to the Statement of Net Position | 9 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 10 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 11 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual- General Fund - 401 | 12 |
| Road Special Revenue Fund - 402 | 13 |
| Indigent Fund - 406 | 14 |
| Capital Project Fund - 430 | 15 |
| Statement of New Position – Proprietary Fund | 16 |
| Statement of Revenues, Expenses and Changes in Net Position Proprietary Fund | 17 |
| Statement of Cash Flows – Proprietary Fund | 18 |
| Statement of Fiduciary Assets and Liabilities – Agency Funds | 19 |
| Notes to Financial Statements | 20-57 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Schedule of the County’s Proportionate Share of the Net Pension Liability | 58 |
| Schedule of County Contributions | 59-61 |
| Notes to Pension Required Supplementary Information | 62 |
| SUPPLEMENTARY INFORMATION | |
| Combining and Individual Fund Statements and Schedules: | |
| Nonmajor Governmental Fund Descriptions | 63-65 |
| Combining Balance Sheet – Nonmajor Special Revenue Funds | 66-72 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds | 73-79 |

**STATE OF NEW MEXICO
LEA COUNTY
TABLE OF CONTENTS
JUNE 30, 2016**

| | Page |
|---|---------|
| SUPPLEMENTARY INFORMATION | |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual: | |
| Fire Fund – 400 | 80 |
| Farm and Range Fund – 403 | 81 |
| Recreation Fund – 404 | 82 |
| Clerk Recording and Filing Fund – 405 | 83 |
| Convenience Centers Fund - 411 | 84 |
| DWI Fund – 412 | 85 |
| House Bill 198 Grant Fund – 414 | 86 |
| Correction Fees Fund – 415 | 87 |
| Paving District Fund – 416 | 88 |
| PRCA Steer Roping Fund - 417 | 89 |
| Detention Facility Fund – 418 | 90 |
| Revolving Loan Fund – 421 | 91 |
| EMPG Reimbursement Fund – 424 | 92 |
| Youth Report Center Fund – 425 | 93 |
| Tire Recycling Fund – 426 | 94 |
| Other Grants Fund - 431 | 95 |
| JAL CDBG Wastewater Fund – 433 | 96 |
| Magistrate Court Security Fund – 438 | 97 |
| Lea County Airports Fund – 454 | 98 |
| Hospital Records Fund – 456 | 99 |
| Property Valuation Fund – 499 | 100 |
| LCEC Permanent Fund – 502 | 101 |
| Stipulation Account Fund – 503 | 102 |
| EMS Knowles Fund – 604 | 103 |
| Law Enforcement Grant Fund – 605 | 104 |
| High Intensity Drug Trafficking Areas Fund – 609 | 105 |
| EMS Malijamar Fund – 613 | 106 |
| County Fire Marshal Fund – 618 | 107 |
| Fire Excise Tax Fund – 619 | 108 |
| EMS Monument Fund – 621 | 109 |
| Gross Receipts Debt Service Fund – 658 | 110 |
| Water Service and Solid Waste Fund – 675 | 111 |
| Fiduciary Funds Descriptions | 112 |
| Schedule of Changes in Assets and Liabilities – Agency Funds | 113-115 |

**STATE OF NEW MEXICO
LEA COUNTY
TABLE OF CONTENTS
JUNE 30, 2016**

| | <u>Page</u> |
|---|-------------|
| SUPPORTING SCHEDULES | |
| Schedule of Collateral Pledged by Depository for Public Funds | 116 |
| Schedule of Cash and Temporary Investment Accounts | 117-118 |
| Schedule of Vendors | 119-120 |
| Tax Roll Reconciliation – Changes in Property Tax Receivable | 121 |
| Treasurer’s Property Tax Schedule | 122-123 |
| Schedule of Expenditures of Federal Awards | 124 |
| Notes to Supplemental Schedule of Expenditures of Federal Awards | 125 |
| COMPLIANCE SECTION | |
| Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 126-127 |
| Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance | 128-129 |
| Schedule of Findings and Questioned Costs | 130-136 |
| Prior Year Audit Findings | 137 |
| Exit Conference | 138 |

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To Timothy Keller
New Mexico State Auditor
The Board of County Commissioners
Lea County
Lovington, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds of Lea 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 also have audited the financial statements of each of the County's nonmajor governmental, nonmajor enterprise, fiduciary funds, and the budgetary comparisons for the major capital project fund, debt service fund, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 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 misstatement, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenues funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and nonmajor enterprise fund of the County as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable thereof and the respective budgetary comparisons for the capital project fund, debt service funds, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the management's Discussion and Analysis which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content. Our opinion on the basic financial statements is not affected by the missing information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of County's Proportionate Share of the Net, Pension Liability and schedule of County Contributions on pages 59 to 63 respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the County's basic financial statements, the combining and individual fund financial statements, and budgetary comparisons. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying information presented and other 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 schedule of expenditures of federal awards and other schedules required by Section 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the accompanying information required by Section 2.2.2 NMAC are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2016, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Albuquerque, New Mexico
November 1, 2016

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
 LEA COUNTY
 STATEMENT OF NET POSITION
 June 30, 2016

| | Primary Government | | |
|--|----------------------------|-----------------------------|--------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| <i>Current:</i> | | | |
| Cash and cash equivalents | \$ 68,208,289 | 1,469,110 | 69,677,399 |
| Investments | 10,615,278 | - | 10,615,278 |
| Property tax receivables | 480,127 | - | 480,127 |
| Due from other governments | 3,661,797 | - | 3,661,797 |
| Other receivables | 138,156 | - | 138,156 |
| <i>Total current assets</i> | <u>83,103,647</u> | <u>1,469,110</u> | <u>84,572,757</u> |
| <i>Noncurrent assets:</i> | | | |
| Capital assets, net accumulated depreciation | 157,558,595 | 2,923,009 | 160,481,604 |
| <i>Total noncurrent assets</i> | <u>157,558,595</u> | <u>2,923,009</u> | <u>160,481,604</u> |
| <i>Total assets</i> | <u>240,662,242</u> | <u>4,392,119</u> | <u>245,054,361</u> |
| DEFERRED OUTFLOWS | | | |
| Pension related | 3,077,997 | - | 3,077,997 |
| <i>Total deferred outflows</i> | <u>3,077,997</u> | <u>-</u> | <u>3,077,997</u> |
| <i>Total assets and deferred outflows</i> | <u>\$ 243,740,239</u> | <u>4,392,119</u> | <u>248,132,358</u> |

See Notes to Financial Statements

STATE OF NEW MEXICO
 LEA COUNTY
 STATEMENT OF NET POSITION
 June 30, 2016

| | Primary Government | | |
|--|----------------------------|-----------------------------|--------------------|
| | Governmental Activities | Business-type Activities | Total |
| LIABILITIES | | | |
| <i>Current liabilities:</i> | | | |
| Accounts payable | \$ 3,997,607 | - | 3,997,607 |
| Accrued payroll liabilities | 889,496 | 6,504 | 896,000 |
| Interest payable | 12,635 | - | 12,635 |
| Debt due within one year | 720,000 | - | 720,000 |
| Current portion of compensated absences | 176,485 | - | 176,485 |
| <i>Total current liabilities</i> | <u>5,796,223</u> | <u>6,504</u> | <u>5,802,727</u> |
| <i>Noncurrent liabilities:</i> | | | |
| Debt due in more than more one year | 6,365,000 | - | 6,365,000 |
| Long term portion of compensated absences | 529,456 | - | 529,456 |
| Net pension liability | 18,880,963 | - | 18,880,963 |
| <i>Total noncurrent liabilities</i> | <u>25,775,419</u> | <u>-</u> | <u>25,775,419</u> |
| <i>Total liabilities</i> | <u>31,571,642</u> | <u>6,504</u> | <u>31,578,146</u> |
| DEFERRED INFLOWS | | | |
| Pension related | 833,939 | - | 833,939 |
| <i>Total deferred inflows</i> | <u>833,939</u> | <u>-</u> | <u>833,939</u> |
| NET POSITION | | | |
| Net investment in capital assets | 150,473,595 | 2,923,009 | 153,396,604 |
| Restricted for: | | | |
| Special revenues | 19,947,967 | - | 19,947,967 |
| Debt Service | 1,665,235 | - | 1,665,235 |
| Unrestricted | 39,247,861 | 1,462,606 | 40,710,467 |
| <i>Total net position</i> | <u>211,334,658</u> | <u>4,385,615</u> | <u>215,720,273</u> |
| <i>Total liabilities, deferred inflows, and net position</i> | <u>\$ 243,740,239</u> | <u>4,392,119</u> | <u>248,132,358</u> |

See Notes to Financial Statements

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

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | |
|---------------------------------------|----------------------|-----------------------------|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> |
| Primary government: | | | |
| Governmental activities: | | | |
| General government | \$ 21,252,934 | 3,754,157 | 1,140,890 |
| Public safety | 17,992,983 | 306,116 | 2,371,589 |
| Culture and recreation | 2,047,566 | - | 15,970 |
| Health and welfare | 10,410,992 | - | - |
| Public works | 8,197,010 | - | 1,255,362 |
| Loss on disposition of assets | 457,731 | - | - |
| Interest relating to long-term debt | 179,217 | - | - |
| <i>Total Governmental Activities</i> | <u>60,538,433</u> | <u>4,060,273</u> | <u>4,783,811</u> |
| Business-type Activities: | | | |
| Water service proprietary fund | 21,958 | - | - |
| <i>Total Business-type Activities</i> | <u>21,958</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 60,560,391</u> | <u>4,060,273</u> | <u>4,783,811</u> |

General Revenues:

- Property taxes
- Payment in lieu of taxes
- Investment earnings
- Miscellaneous taxes

Total general revenues, and special items

Change in net position

Beginning net position

Ending net position

See Notes to Financial Statements

**Net (Expenses) Revenues and
Changes in Net Position
Primary Government**

| <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|---------------------|
| - | (16,357,887) | - | (16,357,887) |
| - | (15,315,278) | - | (15,315,278) |
| - | (2,031,596) | - | (2,031,596) |
| - | (10,410,992) | - | (10,410,992) |
| 1,916,522 | (5,025,126) | - | (5,025,126) |
| - | (457,731) | - | (457,731) |
| - | (179,217) | - | (179,217) |
| <u>1,916,522</u> | <u>(49,777,827)</u> | <u>-</u> | <u>(49,777,827)</u> |
| | | <u>(21,958)</u> | <u>(21,958)</u> |
| <u>-</u> | <u>-</u> | <u>(21,958)</u> | <u>(21,958)</u> |
| <u>1,916,522</u> | <u>(49,777,827)</u> | <u>(21,958)</u> | <u>(49,799,785)</u> |
| | 45,646,893 | - | 45,646,893 |
| | 3,267,767 | - | 3,267,767 |
| | 217,366 | - | 217,366 |
| | <u>539,694</u> | <u>-</u> | <u>539,694</u> |
| | <u>49,671,720</u> | <u>-</u> | <u>49,671,720</u> |
| | (106,107) | (21,958) | (128,065) |
| | <u>211,440,765</u> | <u>4,407,573</u> | <u>215,848,338</u> |
| \$ | <u>211,334,658</u> | \$ | <u>4,385,615</u> |
| | | | <u>215,720,273</u> |

STATE OF NEW MEXICO
 LEA COUNTY
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

| | General Fund 401 | Road 402 | Indigent Fund 406 | Capital Projects 430 | Nonmajor Governmental Funds | Total Governmental Funds |
|--|------------------------|------------------|-------------------------|----------------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | | | |
| <i>Current:</i> | | | | | | |
| Cash and temporary investments | \$ 53,175,488 | 3,415,702 | 1,541,857 | - | 10,075,242 | 68,208,289 |
| Investments | 10,515,133 | - | - | - | 100,145 | 10,615,278 |
| Receivables | | | | | | |
| Property taxes receivable | 480,127 | - | - | - | - | 480,127 |
| Receivable from other governments | 1,386,456 | 31,168 | 373,146 | 444,507 | 1,426,520 | 3,661,797 |
| Due from other funds | 2 | - | - | - | - | 2 |
| Other receivables | 89,843 | - | - | - | 48,313 | 138,156 |
| <i>Total current assets</i> | \$ <u>65,647,049</u> | <u>3,446,870</u> | <u>1,915,003</u> | <u>444,507</u> | <u>11,650,220</u> | <u>83,103,649</u> |
| LIABILITIES AND FUND BALANCE | | | | | | |
| <i>Current liabilities:</i> | | | | | | |
| Accounts payable | \$ 1,427,695 | 152,735 | 1,414,309 | 756,686 | 246,182 | 3,997,607 |
| Accrued payroll liabilities | 465,300 | 104,814 | 6,504 | - | 312,878 | 889,496 |
| Interest payable | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | 2 | 2 |
| Unearned revenues | 358,960 | - | - | - | - | 358,960 |
| <i>Total current liabilities</i> | <u>2,251,955</u> | <u>257,549</u> | <u>1,420,813</u> | <u>756,686</u> | <u>559,062</u> | <u>5,246,065</u> |
| FUND BALANCE (DEFICIT) | | | | | | |
| Nonspendable | | - | | - | - | - |
| Restricted | 7,978,590 | 2,165,854 | 494,190 | - | 10,974,568 | 21,613,202 |
| Committed | | - | | - | - | - |
| Assigned | 42,517,258 | 1,023,467 | | - | 116,592 | 43,657,317 |
| Unassigned | 12,899,246 | - | | (312,179) | (2) | 12,587,065 |
| <i>Total fund balance (deficit)</i> | <u>63,395,094</u> | <u>3,189,321</u> | <u>494,190</u> | <u>(312,179)</u> | <u>11,091,158</u> | <u>77,857,584</u> |
| <i>Total liabilities, deferred inflows, and fund balance (deficit)</i> | \$ <u>65,647,049</u> | <u>3,446,870</u> | <u>1,915,003</u> | <u>444,507</u> | <u>11,650,220</u> | <u>83,103,649</u> |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

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

| | |
|--|-----------------------|
| Fund balances - total governmental funds | \$ 77,857,584 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 157,558,595 |
| Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds. | 3,077,997 |
| Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds: | |
| Property taxes | 358,960 |
| Long-term liabilities, are not due in the current period and, therefore, are not reported in the funds | |
| Net pension liability | (18,880,963) |
| Bond payable | (7,085,000) |
| Interest payable | (12,635) |
| Compensated absences | (705,941) |
| Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds. | <u>(833,939)</u> |
| Total net position | <u>\$ 211,334,658</u> |

See Notes to Financial Statements

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

| | General Fund 401 | Road 402 | Indigent Fund 406 | Capital Projects 430 | Nonmajor Governmental Funds | Total Governmental Funds |
|--|------------------------|---------------------|-------------------------|----------------------------|-----------------------------------|--------------------------------|
| <i>Revenues:</i> | | | | | | |
| Property, sales, and miscellaneous taxes | \$ 35,573,590 | - | 4,293,439 | - | 5,777,463 | 45,644,492 |
| Payment in lieu of taxes | 3,267,767 | - | - | - | - | 3,267,767 |
| Licenses and permits | 33,177 | - | - | - | 110,556 | 143,733 |
| <i>Intergovernmental:</i> | | | | | | |
| Federal | 17,322 | - | - | - | 2,667,118 | 2,684,440 |
| State | 276,775 | 1,472,015 | - | 444,507 | 1,822,596 | 4,015,893 |
| Charges for services | 646,182 | - | - | - | 3,414,091 | 4,060,273 |
| Investment earnings | 210,437 | - | 2,000 | - | 4,929 | 217,366 |
| Miscellaneous | 388,046 | 1,614 | 995 | - | 5,306 | 395,961 |
| Total revenues | 40,413,296 | 1,473,629 | 4,296,434 | 444,507 | 13,802,059 | 60,429,925 |
| <i>Expenditures:</i> | | | | | | |
| <i>Current</i> | | | | | | |
| General government | 14,124,338 | - | - | - | 5,013,597 | 19,137,935 |
| Public safety | 7,673,889 | - | - | - | 9,849,089 | 17,522,978 |
| Culture and recreation | 2,020,140 | - | - | - | 18,906 | 2,039,046 |
| Health and welfare | 230,470 | - | 10,186,537 | - | - | 10,417,007 |
| Public works | - | 6,270,880 | - | - | - | 6,270,880 |
| Capital outlay | - | 15,948,593 | - | 9,183,707 | 3,199,217 | 28,331,517 |
| <i>Debt service</i> | | | | | | |
| Principal | 32,060 | - | - | - | 705,000 | 737,060 |
| Interest | - | - | - | - | 166,582 | 166,582 |
| Total expenditures | 24,080,897 | 22,219,473 | 10,186,537 | 9,183,707 | 18,952,391 | 84,623,005 |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>16,332,399</u> | <u>(20,745,844)</u> | <u>(5,890,103)</u> | <u>(8,739,200)</u> | <u>(5,150,332)</u> | <u>(24,193,080)</u> |
| <i>Other financing sources (uses):</i> | | | | | | |
| Proceeds from debt | 32,060 | - | - | - | - | 32,060 |
| Transfers in | 11,544,681 | 23,935,165 | 3,245,521 | 4,158,047 | 5,517,240 | 48,400,654 |
| Transfers out | (36,623,348) | - | - | - | (11,777,306) | (48,400,654) |
| Total other financing sources (uses) | <u>(25,046,607)</u> | <u>23,935,165</u> | <u>3,245,521</u> | <u>4,158,047</u> | <u>(6,260,066)</u> | <u>32,060</u> |
| Net change in fund balances | (8,714,208) | 3,189,321 | (2,644,582) | (4,581,153) | (11,410,398) | (24,161,020) |
| Fund balances - beginning of year | <u>72,109,302</u> | <u>-</u> | <u>3,138,772</u> | <u>4,268,974</u> | <u>22,501,556</u> | <u>102,018,604</u> |
| Fund balances - end of year | <u>\$ 63,395,094</u> | <u>3,189,321</u> | <u>494,190</u> | <u>(312,179)</u> | <u>11,091,158</u> | <u>77,857,584</u> |

See Notes to Financial Statements

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

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

| | |
|--|-----------------|
| Net change in fund balances - total governmental funds | \$ (24,161,020) |
| Net pension expense | 709,334 |
| Increase in interest payable | (12,635) |

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 | 27,458,711 |
| Depreciation expense | (4,884,277) |

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

| | |
|---|-----------------|
| Change in unearned revenue related to the property taxes receivable | 2,401 |
| Decrease in accrued compensated absences | 76,379 |
| Principal payments on notes | 737,060 |
| Proceeds from debt issuance | <u>(32,060)</u> |

| | |
|------------------------|----------------------------|
| Change in net position | \$ <u><u>(106,107)</u></u> |
|------------------------|----------------------------|

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
GENERAL FUND (401)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ 35,695,561 | 36,071,545 | 34,050,389 | (2,021,156) |
| Payment in lieu of taxes | 3,200,000 | 3,200,000 | 3,267,767 | 67,767 |
| Licenses and permits | 41,250 | 10,250 | 33,177 | 22,927 |
| Intergovernmental: | | | | |
| Federal | 17,000 | 17,000 | 17,322 | 322 |
| State and local | 300,000 | 525,000 | 274,846 | (250,154) |
| Charges for services | 491,000 | 544,000 | 615,230 | 71,230 |
| Investment earnings | 350,040 | 100,000 | 210,437 | 110,437 |
| Miscellaneous | 482,500 | 416,483 | 378,732 | (37,751) |
| Total revenues | 40,577,351 | 40,884,278 | 38,847,900 | (2,036,378) |
| Expenditures | | | | |
| Current | | | | |
| General government | 20,943,217 | 20,885,168 | 12,593,532 | 8,291,636 |
| Public safety | 8,665,936 | 8,635,936 | 7,391,647 | 1,244,289 |
| Culture and recreation | 2,072,079 | 2,146,009 | 1,992,752 | 153,257 |
| Health and welfare | 247,245 | 247,245 | 209,971 | 37,274 |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | 31,928,477 | 31,914,358 | 22,187,902 | 9,726,456 |
| Excess (deficiency) of revenues over expenditures | 8,648,874 | 8,969,920 | 16,659,998 | 7,690,078 |
| Other financing sources (uses): | | | | |
| Transfers in | 12,736,695 | 12,736,695 | 11,544,681 | (1,192,014) |
| Transfers out | (72,633,066) | (72,983,637) | (36,623,348) | 36,360,289 |
| Total other financing sources (uses) | (59,896,371) | (60,246,942) | (25,078,667) | 35,168,275 |
| Prior year cash required to balance budget | 51,247,497 | 51,277,022 | - | - |
| Net changes in fund balances | \$ - | - | (8,418,669) | (8,418,669) |
| Reconciliation to GAAP basis: | | | | |
| Adjustments to revenues | | | 1,597,456 | |
| Adjustments to expenditures | | | (1,892,995) | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ (8,714,208) | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
ROAD FUND (402)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Federal | 2,025,825 | 2,025,825 | - | (2,025,825) |
| State | 1,685,679 | 1,685,679 | 1,440,847 | (244,832) |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | 1,614 | 1,614 |
| <i>Total revenues</i> | <u>3,711,504</u> | <u>3,711,504</u> | <u>1,442,461</u> | <u>(2,269,043)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | 7,813,252 | 7,813,252 | 6,064,615 | 1,748,637 |
| Capital outlay | 18,176,996 | 18,176,996 | 15,897,304 | 2,279,692 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>25,990,248</u> | <u>25,990,248</u> | <u>21,961,919</u> | <u>4,028,329</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(22,278,744)</u> | <u>(22,278,744)</u> | <u>(20,519,458)</u> | <u>1,759,286</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 19,907,352 | 19,907,352 | 23,935,165 | 4,027,813 |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>19,907,352</u> | <u>19,907,352</u> | <u>23,935,165</u> | <u>4,027,813</u> |
| Prior year cash balance budgeted | 2,371,392 | 2,371,392 | - | - |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>3,415,707</u> | <u>3,415,707</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | 31,168 | |
| Adjustments to expenditures | | | <u>(257,554)</u> | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>3,189,321</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
INDIGENT FUND (406)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|--------------------|--------------------|-----------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ 4,800,000 | 4,800,000 | 3,920,313 | (879,687) |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | 1,000 | 2,000 | 1,000 |
| Miscellaneous | 1,500 | 500 | 975 | 475 |
| <i>Total revenues</i> | <u>4,801,500</u> | <u>4,801,500</u> | <u>3,923,288</u> | <u>(878,212)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | 10,113,183 | 10,244,128 | 8,765,724 | 1,478,404 |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>10,113,183</u> | <u>10,244,128</u> | <u>8,765,724</u> | <u>1,478,404</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(5,311,683)</u> | <u>(5,442,628)</u> | <u>(4,842,436)</u> | <u>600,192</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 3,114,576 | 3,245,521 | 3,245,521 | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>3,114,576</u> | <u>3,245,521</u> | <u>3,245,521</u> | <u>-</u> |
| Prior year cash required to balance budget | 2,197,107 | 2,197,107 | - | - |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>(1,596,915)</u> | <u>(1,596,915)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | 373,146 | |
| Adjustments to expenditures | | | <u>(1,420,813)</u> | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>(2,644,582)</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
CAPITAL PROJECTS - SPECIAL REVENUE FUND (430)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|---------------------|---------------------|-----------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | 3,495,000 | 3,495,000 | - | (3,495,000) |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>3,495,000</u> | <u>3,495,000</u> | <u>-</u> | <u>(3,495,000)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | | - | - | - |
| Public safety | | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | | - | - | - |
| Public works | | - | - | - |
| Capital outlay | 49,262,278 | 50,456,278 | 8,427,021 | 42,029,257 |
| Debt service | | | | |
| Principal | | - | - | - |
| Interest | | - | - | - |
| <i>Total expenditures</i> | <u>49,262,278</u> | <u>50,456,278</u> | <u>8,427,021</u> | <u>42,029,257</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(45,767,278)</u> | <u>(46,961,278)</u> | <u>(8,427,021)</u> | <u>38,534,257</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 42,425,228 | 42,619,228 | 4,158,047 | (38,461,181) |
| Transfers out | | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>42,425,228</u> | <u>42,619,228</u> | <u>4,158,047</u> | <u>(38,461,181)</u> |
| Prior year cash balance budgeted | 3,342,050 | 4,342,050 | | |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>(4,268,974)</u> | <u>(4,268,974)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | 444,507 | |
| Adjustments to expenditures | | | <u>(756,686)</u> | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>(4,581,153)</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
 LEA COUNTY
 STATEMENT OF NET POSITION - PROPRIETARY FUND
 June 30, 2016

| | Water Service Enterprise Fund (675) |
|---|--|
| ASSETS | |
| Current Assets | |
| Cash and cash equivalents | \$ 1,469,110 |
| Total current assets | <u>1,469,110</u> |
| Noncurrent Assets | |
| Capital assets: | |
| Land and improvements, not being depreciated | 575,000 |
| Construction in progress, not being depreciated | <u>2,348,009</u> |
| Total noncurrent assets | <u>2,923,009</u> |
| Total assets | <u>4,392,119</u> |
| LIABILITIES | |
| Current Liabilities | |
| Other liabilities | <u>6,504</u> |
| Total liabilities | <u>6,504</u> |
| NET POSITION | |
| Net investment in capital assets | 2,923,009 |
| Unrestricted | <u>1,462,606</u> |
| Total net position | <u>\$ 4,385,615</u> |

See Notes to Financial Statements.

STATE OF NEW MEXICO
 LEA COUNTY
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
 NET POSITION - PROPRIETARY FUNDS
 Year Ended June 30, 2016

| | Water Service Enterprise Fund (675) |
|--|--|
| Operating Revenues | |
| Charges for services | \$ - |
| Total operating revenues | <u>-</u> |
| Operating Expenses | |
| Operating expenses | <u>21,958</u> |
| Total operating expenses | <u>21,958</u> |
| (Loss) income before contributions and transfers | (21,958) |
| Transfers | |
| Transfers, in | - |
| Transfers, out | <u>-</u> |
| Change in net position | (21,958) |
| Net position, beginning of year | <u>4,407,573</u> |
| Net position, end of year | \$ <u><u>4,385,615</u></u> |

See Notes to Financial Statements.

STATE OF NEW MEXICO
 LEA COUNTY
 COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
 Year Ended June 30, 2016

| | Water Service Enterprise Fund (675) |
|---|--|
| Cash Flows From Operating Activities | |
| Cash received from customers and others | \$ - |
| Cash paid for goods and services | (15,454) |
| | <hr/> |
| Net cash provided by operating activities | (15,454) |
| | <hr/> |
| Cash Flows From Investing Activities | |
| Purchases of capital assets | (285,501) |
| | <hr/> |
| Net cash used by investing activities | (285,501) |
| | <hr/> |
| Cash Flows From Non-Capital Financing | |
| Purchases of capital assets | - |
| Activities Operating transfers, net | - |
| | <hr/> |
| Net cash used by non-capital financing activities | - |
| | <hr/> |
| Net (decrease) increase in cash and cash equivalents | (300,955) |
| Cash and restricted cash and cash equivalents, beginning of year | 1,770,065 |
| | <hr/> |
| Cash and restricted cash and cash equivalents, end of year | \$ 1,469,110 |
| | <hr/> <hr/> |
| Reconciliation of Operating (Loss) Income to Net Cash Provided by Operating Activities | |
| Operating (loss) income | \$ (21,958) |
| Adjustments to operating (loss) income to net cash provided by operating activities: | |
| Change in assets and liabilities: | |
| Capital assets | |
| Other liabilities | 6,504 |
| | <hr/> |
| Net cash provided by operating activities | \$ (15,454) |
| | <hr/> <hr/> |

See Notes to Financial Statements.

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

| | <u>Balance</u> <u>June 30, 2016</u> |
|-----------------------------------|--|
| ASSETS | |
| Cash and cash equivalents | \$ 23,299,529 |
| Taxes receivable | 1,615,734 |
| Receivables - Other | <u>275,832</u> |
| <i>Total assets</i> | <u>\$ 25,191,095</u> |
| LIABILITIES | |
| Deposits held in trust for others | \$ 23,299,529 |
| Future taxes collectible | 1,615,734 |
| Other liabilities | <u>275,832</u> |
| <i>Total liabilities</i> | <u>\$ 25,191,095</u> |

See Notes to Financial Statements

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lea County (the County), New Mexico was created in accordance with Section 40-3-1 NMSA 1978 Compilation on September 25, 1916. The powers of the County are exercised by an elected Board of County Commissioners. During general elections in the State of New Mexico, a County Treasurer, County Clerk, Probate Judge, County Sheriff, County Assessor, and County Commissioners are elected. The County is operated by a County Manager, who is appointed by the County Commissioners.

The County assesses, collects, and distributes all property taxes, records property and legal documents, provides law enforcement services, health and social services, culture and recreation, tourist promotion and maintains County roads.

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

As of July 1, 2002, the County was required to implement Governmental Accounting Standards Board (GASB) 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments; GASB 35 - Basic Financial Statements and Management's Discussion and Analysis for Public College and Universities; GASB 37 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus; and GASB 38 - Certain Financial Statement Note Disclosures. This financial report provides an entity-wide perspective of the County's assets, liabilities, and net position, revenue, expenses, changes in net assets, and cash flows. Presentation under GASB 34, 35, 37, 38, and 41 replaces the fund-group accounting perspective that was previously required. The County has completed the retrospective reporting of infrastructure as required by GASB.

The County has implemented Statements 39, 40, 41, and 42. GASB Statement No. 39, Determining Whether Certain Organizations are Component Units is an amendment of GASB Statement No. 14, which provides additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units. GASB Statement No. 40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3, applies to periods beginning after June 15, 2004. Lea County has also implemented GASB Statement No. 42, Accounting and Financial Reporting for Impairments of Capital Assets and for Insurance Recoveries. This Statement is effective for period beginning after December 15, 2004.

The County has implemented GASB Statements 45 and 47 in the fiscal year ended June 30, 2008. GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other non-pension benefits, GASB Statement No. 47, Accounting for Termination Benefits, provides accounting and reporting guidance for state and local governments that offer benefits such as early retirement incentives or severance to employees that are involuntarily terminated. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County has adopted the requirements of GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets. This statement establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies in reporting of these types of assets. The statement requires that all intangible assets not specifically excluded by its scope and provisions be classified as capital assets.

The County has adopted the requirements of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement requires governments to account for deferred outflows of resources, deferred inflows of resources, and net position elements in Concepts Statement No. 4 as it relates to GASB Statements 53 (derivatives) and 60 (SCA's). Concepts Statement No. 4 indicates that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. This statement is effective for periods beginning after December 15, 2011.

The County has adopted the requirements of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, which amends or supersedes the accounting and financial reporting guidance for certain items previously required to be reported as assets or liabilities. The objective is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues). Under GASBS No. 65, bond issuance costs will now be expensed when incurred, instead of being amortized over the term of the bond. This statement is effective for periods beginning after December 15, 2012.

The County has adopted the requirements of GASB Statement No. 67, Financial Reporting for Pension Plans, This Statement replaces the requirements of GASB Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and Statement No. 50, Pension Disclosures, as they relate to pension plans that are administered through trust or equivalent arrangements. The requirements of Statements No. 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. This Statement is effective for financial statements for fiscal years beginning after June 15, 2013.

The County has adopted the requirements of GASB Statement No. 68, Accounting for Financial Reporting for Pensions. This Statement replaces the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, and the requirements of GASBS 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts. The requirements of Statements No. 27 and 50 remain applicable for pensions that are not covered by GASBS 68. This Statement is effective for financial statements for fiscal years beginning after June 15, 2014.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lea County Fair Board

The Lea County Fair Board is appointed by the Lea County Commissioners. The Lea County Commissioners provide facilities for the annual fair and rodeo and the finances required over and above the resources provided by the fair and rodeo. The operations of the fairgrounds are incorporated into the general fund of the County and reported therein. The County does not have any component units.

Government-wide and fund financial statements

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report, except for County fiduciary funds, information on all of the activities of the County. The effect of interfund transfers and other internal activity has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental Activities are supported mainly by taxes and intergovernmental revenues and are reported separately from the business-type activities, which are supported by fees and charges for services provided.

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

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund meets the criteria as a major governmental fund. Each major fund is reported in separate columns in the fund financial statements. Non-major funds include other Special Revenue, Capital Projects, Debt Service and Permanent funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for non-major funds are presented within Combining and Individual Fund Statements and Schedules.

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. This measurement focus is also used for the 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. Major revenue types, which have been accrued, are revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met. Derived tax revenues are recognized when the underlying exchange transaction takes place.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation (Continued)

Revenues are classified as program revenues and general revenues. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, and grants not restricted to specific programs and investment earnings.

Governmental fund-level financial statements are reported using 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as unearned revenue. Those revenues susceptible to accrual include interest revenues, franchise taxes, gross receipts taxes, charges for services, and grants from other governments.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

Indirect expenses of the County are not allocated among functional activities on the statement of activities on the government-wide presentation. Instead, depreciation and other indirect expenses are reported as a part of general government, and interest on long-term debt is reported as a separate line item.

The County reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The County reports deferred inflows of resources in the government wide financial statements for inflows received, but not recognized as revenue until future years subject to time restrictions. In the governmental funds, the County recognizes deferred inflows of resources for property taxes and time restricted grants that are not considered available.

The government reports the following major governmental funds:

The General Fund (401) is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, judicial, public welfare, health services and capital acquisition.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation (Continued)

The Road Fund (402) is used to account for funds used to maintain County roads, included but not limited to administration, operation, maintenance, and capital outlay. Authorized by sections 6-623, 7-1-6-19, 67-3-82.2, and Chapter 113, Laws of 1992, NMSA.

The Indigent Fund (406) is used to account for the payment of indigent hospital costs. Financing is provided by gross receipts tax and is restricted to indigent claims as authorized by Section 27-5-5, NMSA 1978 and County policy.

The Capital Projects Fund (430) is used to account for the funds committed by the County Commission for capital improvement projects to benefit Lea County. This fund is authorized by Resolution No. 14-JUL-30R.

Other fund types include proprietary funds and fiduciary funds, which are considered as non-major funds. Non-major funds include special revenue funds, capital projects funds, debt service funds and permanent funds.

Proprietary funds - The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The County reports the following proprietary fund types:

Enterprise funds are used to account for provision of water and sewer services for which a fee is charged to external users for goods. The activity reported in this fund is reported as business-type activity in the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Service Enterprise fund includes charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation (Continued)

Fiduciary funds - Fiduciary fund level financial statements include fiduciary funds, which are classified into private purpose trust and agency funds. The County has only agency funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government- wide financial statements.

Budgetary Information

Budgets are adopted on the cash basis, which is not in accordance with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, special revenue, capital projects, debt service, permanent funds and proprietary funds. All annual appropriations lapse at the fiscal year-end.

The County Manager is responsible for preparing the budget from requests submitted by department directors. The preliminary budget is submitted to a budget committee for approval and then the comprehensive budget package is brought before the County Commissioners for approval by resolution.

The proposed budget is then submitted by June 1 to the New Mexico Department of Finance and Administration Local Government Division (DFA) for approval. DFA certifies a preliminary budget by July 1 with final certification of the budget by the first Monday of September. The expenditure section of the budget, once adopted, is legally binding.

Increases or decreases in the budget of a fund or transfers of appropriations between funds must be presented to the County Commission for approval by resolution and must subsequently have DFA approval. Amendments made to the original budget are included in the budgetary comparison statements of this report, which reflect actual to budget. Budgets and amendments to the budgets for all funds are adopted in a legally permissible manner. The legal level of budgetary control is the fund level.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents in the financial statements, including the statement of cash flows presented for proprietary funds, includes amounts on demand deposits, as well as short-term investments with a maturity date within twelve months of the date acquired by the County.

In accordance with Section 6-10-17, NMSA, 1978 Compilation, the County is required to collateralize an amount equal to one-half of the public money in excess of insured funds at each financial institution. Deposits in overnight repurchase agreements are required to be covered by pledged collateral equal to 102% of the deposit. All of the County's depositories were in compliance with collateral requirements.

Receivables and Payables

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements. Receivables are shown net of an allowance for uncollectible amounts.

Lending or borrowing between funds is reflected as "due to or due from" (current portion) or "advances to/from other funds" (non-current). 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. Interfund activity reflected in "due to or due from" is eliminated on the government-wide statements.

Advances to Other Funds

Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables (Continued)

Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and in the fund financial statements are offset by a reservation of fund balance which indicates they do not represent "available spendable resources." Immaterial amounts of inventory are not recorded by the County. Inventory items are expensed when purchased.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, software and infrastructure assets are reported in the government-wide financial statements. Capital assets such as equipment are defined, per Section 12-6-10 NMSA 1978, as assets with a cost of \$5,000 or more. Infrastructure assets include County-owned roads and bridges. Information technology equipment, including software, is capitalized in accordance with NMAC 2.20.1.9 C (5).

Capital assets are recorded at historical costs if purchased or constructed. 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. Capital assets are depreciated using the straight line method over the following estimated useful lives:

Capital Assets (Continued)

| Assets | Years |
|-------------------------|-------|
| Infrastructure | 50 |
| Buildings | 25-40 |
| Landfill | 25 |
| Roads | 25 |
| Equipment and Furniture | 5-15 |
| Vehicles | 5-15 |
| Computer Hardware | 5 |

The County has retroactively reported all major general infrastructure assets in accordance with GASB 34.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

A liability for unused vacation and sick time for all full-time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- 1) Leave or compensation is attributable to services already rendered
- 2) Leave or compensation is not contingent on a specific event (such as illness)

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e., are due for payment). Compensated absences are accrued in the government-wide statements.

The County's permanent, full-time employees accrue 3.75 hours of vacation per pay period (biweekly) from date of employment to five years of service, 4.75 hours per pay period from 6 years to 10 years of service, 5.75 hours per pay period from 11 years to 15 years of service, and 6.75 hours per pay period for 16 or greater years of continuous employment. Upon termination from County employment, an employee shall be entitled to payment of up to 240 hours of accrued but unused hours of vacation.

The County's permanent, full-time employees accrue sick leave at the rate of eight 3.75 hours per pay period (biweekly) from date of employment to 10 years of service and 4.75 hours per pay period for 11 or greater years of continuous employment. Sick leave is paid to current employees if the employees are absent from work due to illness, injury or other situations requiring medical attention. An employee who terminates employment of the County shall receive no compensation for accrued sick leave.

Amounts of accrued vacation leave are accrued in the government-wide financial statements.

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under the governmental activities statement of net position. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position includes net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets, consist of 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.

Restricted net position are balances with constraints placed on their use that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. A further classification of restricted net position exists for those balances included in permanent endowments or permanent fund principal amounts. These net balances are classified as either expendable or nonexpendable. Nonexpendable net position includes those that are required to be retained in perpetuity. Unrestricted net position consists of net balances that do not meet the definition of "restricted" or "invested in capital assets."

Interfund Transactions

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

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restricted Assets

Restricted assets are assets which have third-party limitations on their use. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2016.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

1. **Non-spendable Fund Balance:** Non spendable fund balance shall mean the portion of the gross fund balance that is not expendable (such as inventories or fixed assets) or is legally marked for a specific use.
2. **Restricted Fund Balance:** Restricted fund balance shall include amounts constrained to a specific purpose by the provider, such as a grantor.
3. **Committed Fund Balance:** Committed fund balance shall mean that portion of the fund balance that is constrained to a specific purpose by the Lea County Board of Commissioners.
4. **Assigned Fund Balance:** Assigned fund balance shall mean that portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Lea County Manager or designee. Such assignment may change and may never be budgeted, or may result in expenditures in future periods of time.

Fund Balance Classification (Continued)

5. **Unassigned Fund Balance:** Unassigned fund balance shall include amounts available for any legal purpose. The unassigned fund balance shall be the difference between the total fund balance and the total of the non-spendable fund balance, restricted fund balance, committed fund balance and assigned fund balance.

Lea County would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category on the government-wide statement of net position. It is the County's contributions subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period. This will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has four items, of which one item, deferred property taxes, arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred property taxes, is reported only in the governmental funds balance sheet. Grants restricted by time are reported in the government-wide statement of net position and in the governmental funds financial statements. Net difference between projected and actual investment earnings on pension plan investments and the change of assumptions related to the pension plan are also deferred inflows. These amounts will be amortized and recognized in future years.

Pensions

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

The County utilizes pooled accounts for their funds. The general, special revenue and agency funds are all in one account and the capital projects and debt service funds are in their own accounts. Separate accounts also exist for the county clerk, sheriff, probate judge, inmate trust, detention bond, and metro agency related funds.

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.

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

NOTE 2. CASH AND CASH EQUIVALENTS

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

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

At June 30, 2016, the carrying amount of the County's unrestricted deposits was \$69,677,399 excluding cash held as fiduciary of \$23,299,530. Total cash and cash equivalents balance per the financial institutions of \$87,896,223 consisted of demand deposits and certificates of deposit. Of the demand deposits and certificates of deposit, \$1,523,115 was covered by federal depository insurance and \$85,123,883 was covered by collateral held in joint safekeeping by a third party.

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 at least one-half of the amount on deposit with the institution. 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 Authority, public unit deposits are funds owned by the County. Time deposits, savings deposits and interest bearing 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 of public unit demand deposits at the same institution.

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to them. The County does not have a deposit policy for custodial credit risk. As of June 30, 2016, \$86,373,108 of the County's bank balance of \$87,896,223 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

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

NOTE 3. INVESTMENTS

New Mexico State Statutes authorize the County to invest in direct obligations of the United States or securities that are backed by the full faith and credit of the United States Government or agencies guaranteed by the U.S. Government. The County does not have an additional investment policy that further limits its investments. State statute also authorizes the County to invest in bonds or negotiable securities of the U. S., the State of New Mexico, or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding. The County does not have an additional investment policy that further limits its investments. At June 30, 2016, Lea County had long-term investments with Moreton Capital Markets and Lea County State Bank of \$10,515,133 and \$100,145 respectively. The \$10,615,278 in investments approximates the fair value.

Custodial Credit Risk – In the case of investments, this is the risk that in the event of a market failure, the County's investments may not be returned to them. The County does not have a deposit policy for custodial credit risk. As of June 30, 2016, \$10,515,133 of the County investment balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

Interest Rate Risk – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Quality Risk – State law limits investment in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The County has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributable to the magnitude of the County's investment in a single issuer. A total of 99% of the investment balance is held at Moreton Capital Markets.

GASB Statement No. 72 requires investment to be presented at fair value. This statement provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described as follows:

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

NOTE 3. INVESTMENTS (CONTINUED)

Basis of Fair Value Measurement –

| | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access. |
| Level 2 | Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The following table sets forth by level, within the fair value hierarchy, the County's assets had a fair value as of June 30, 2016:

| | Investment Assets at Fair Value as of June 30, 2016 | | | |
|----------------------------|---|---------|---------|------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Investment in | | | | |
| Morton Capital | \$ 10,515,133 | - | - | 10,515,133 |
| Lea County State Bank | 100,145 | - | - | 100,145 |
| Total Assets at fair value | \$ 10,615,278 | - | - | 10,615,278 |

The County utilized the market approach to value its investments. GASB Statement No. 72 defines the market approach as using market prices and other information obtained from market transactions with similar or identical assets or liabilities.

NOTE 4. PROPERTY TAXES

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, November 10th and April 10th. The taxes become delinquent in December of the year in which the tax bill was prepared and mailed, and in May of the following year. Fund financial statements are kept on a modified accrual basis of accounting. Hence, accounting principles generally accepted in the United States of America require recognition of property taxes when they are considered both measurable and available for the fund financial statements. Therefore, the delinquent property taxes are not recorded as revenue in the fund financial statements until they become both "measurable" and "available" to finance expenditures of the fiscal period.

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

NOTE 4. PROPERTY TAXES (CONTINUED)

Government-wide financial statements are kept on a full accrual basis of accounting. Hence, accounting principles generally accepted in the United States of America require recognition of property taxes when the taxes are levied. The delinquent property taxes are recorded as revenue in the government-wide financial statements in the period of levy.

NOTE 5. OTHER RECEIVABLES

Other receivables at June 30, 2016 are considered to be fully collectible and are composed as follows:

| | | Governmental Activities |
|---------------------|----|------------------------------------|
| Other Receivables: | | |
| Fees | \$ | 45,057 |
| Refunds | | 41,153 |
| Grants Receivable | | 34,439 |
| Interest Receivable | | 17,507 |
| Totals | \$ | <u>138,156</u> |

NOTE 6. DUE FROM OTHER GOVERNMENTS

The amounts due from other governments at June 30, 2016 are considered to be fully collectible and are composed of the following:

| | | Governmental Activities |
|-------------------------|----|------------------------------------|
| Gross Receipts Tax | \$ | 1,980,064 |
| Motor Vehicle Tax | | 117,119 |
| Grants Receivable | | 1,356,332 |
| Detention Facility Fees | | 208,282 |
| Totals | \$ | <u>3,661,797</u> |

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

NOTE 7. DUE TO/FROM OTHER FUNDS AND TRANSFERS

Due to/from other funds consists of monies which were transferred between governmental funds to support the Lea County Event Center and fund activities. The County expects these amounts to be repaid.

Individual fund interfund receivables and payable balances at June 30, 2016, were as follows:

| | Interfund Receivables | Interfund Payables |
|------------------------------------|----------------------------------|-------------------------------|
| Farm & Range Fund- 403: | | |
| Due to General Fund- 401 | \$ - | 2 |
| General Fund- 401: | | |
| Due from Farm & Range- 403 | 2 | - |
| Total | <u>\$ 2</u> | <u>2</u> |

Transfers from the General Fund to Special Revenue funds are made to support the funds' activities. Revenues in excess of servicing the debt service requirement in the Gross Receipts Debt Service fund are transferred annually to the General Fund. Lea County has chosen to leave \$1,292,109 in the Debt Service Fund at June 30, 2016, thereby taking a conservative stance to ensure that annual long-term debt payments are satisfied. Transfers of grant funds received by the General Fund are made as needed.

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

NOTE 7. DUE TO/FROM OTHER FUNDS AND TRANSFERS (CONTINUED)

Transfers for the year ended June 30, 2016 were as follows:

Transfers Out:

| | |
|---|----------------------|
| General Fund- 401: | |
| To Road Fund- 402 | \$ 23,935,165 |
| To Farm & Range Fund- 403 | 19,375 |
| To Indigent Fund- 406 | 3,245,521 |
| To Fire Funds- 407, 408, 410 | 23,506 |
| To Airport Fund- 409 | 144,017 |
| To Detention Fund- 418 | 5,000,000 |
| To Youth Fund- 425 | 34,932 |
| To Capital Projects Fund- 430 | 4,080,766 |
| To Other Grants Fund- 431 | 123,090 |
| To CDWI Fund- 437 | 1,976 |
| To Magistrate Fund- 438 | 15,000 |
| Malijmar Fire District – 407 | |
| To Fire Fund - 400 | 69,680 |
| Knowles Fire District – 408 | |
| To Fire Funds – 400 | 14,918 |
| Airport Fire – 409 | |
| To Fire Fund – 400 | 35,296 |
| Monument Fire District – 410 | |
| To Fire Fund – 400 | 26,572 |
| HB-198 Grant- 414: | |
| To Capital Projects Fund- 430 | 9,044 |
| PRCA Steer Roping- 417: | |
| To Capital Projects Fund- 430 | 68,237 |
| Hospital Records Fund - 456 | |
| To General Fund - 401 | 10 |
| LCEC Permanent Fund- 502 | |
| To General Fund - 401 | 1,353,125 |
| LCEC Stipulation Fund- 503 | |
| To General Fund- 401 | 355,576 |
| Other Grants - 431 | |
| To High Intensity Drug Trafficking Areas Fund | 8,878 |
| Gross Receipts Debt Service- 658: | |
| To General Fund- 401 | 9,835,970 |
| Total Transfers Out | \$ 48,400,654 |

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

NOTE 7. DUE TO/FROM OTHER FUNDS AND TRANSFERS (CONTINUED)

Transfers In:

| | |
|--|--------------|
| General Fund | |
| From LCEC Permanent Fund- 502 | (1,353,125) |
| From LCEC Stipulation Fund- 503 | (355,576) |
| From Gross Receipts Debt Service- 658 | (9,835,970) |
| From Hospital Records Fund - 456 | (10) |
| Road Fund- 402 | |
| From General Fund- 401 | (23,935,165) |
| Farm & Range Fund- 403 | |
| From General Fund | (19,375) |
| Indigent Fund- 406 | |
| From General Fund- 401 | (3,245,521) |
| Fire Funds- 400 | |
| From General Fund- 401 | (23,506) |
| From Malijmar Fire District Fund - 407 | (69,680) |
| From Knowles Fire District Fund - 408 | (14,918) |
| From Airport Fire – 409 | (35,296) |
| From Monument Fire District - 410 | (26,572) |
| Airport Fund- 409 | |
| From General Fund- 401 | (144,017) |
| Detention Fund- 418 | |
| From General Fund- 401 | (5,000,000) |
| Youth Fund- 425 | |
| From General Fund- 401 | (34,932) |
| Capital Projects Fund- 430 | |
| From General Fund- 401 | (4,080,766) |
| Other Grants Fund- 431 | |
| From General Fund- 401 | (123,090) |
| CDWI Fund- 437 | |
| From General Fund- 401 | (1,976) |
| Magistrate Fund- 438 | |
| From General Fund- 401 | (15,000) |
| Capital Projects- 430 | |
| From PRCA Steer Roping- 417 | (68,237) |
| From HB-198 Grant- 414 | (9,044) |
| High Intensity Drug Trafficking Areas Fund -609 | |
| From Other Grants Fund - 431 | (8,878) |
| Total Transfers In | (48,400,654) |
| Total Governmental Activities Transfers | \$ - |

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

NOTE 8. RISK OF LOSS

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

Lea County Board of Commissioners is insured with OneBeacon's Insurance carrier Atlantic Specialty Insurance Company. Atlantic Specialty Insurance Company has an AM Best rating of A XI as reaffirmed August 13, 2014. Daniels Insurance Agency Inc. acts as a Broker in secure coverage for Lea County as directed through a Request for Proposal, which was awarded in June 2011. The County insures itself against losses such as General Liability, Employment Practices Liability, Public Official Liability, Law Enforcement Liability and Excess Liability limits. Those limits generally start at \$1,050,000 per occurrence with a \$5,000,000 excess limit. The Commissioners also insure owned assets for physical damages losses such as Property, Autos, Machinery and Equipment.

The County participates in the New Mexico County Insurance Authority Workers Compensation Pool. The pool is self-insured for workers' compensation claims up to \$300,000. Above that amount, the pool maintains an Excess Employers' Reinsurance Policy.

Insurance settlements have not exceeded insurance coverage for any of the past five fiscal years.

NOTE 9. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds and Permanent Funds.

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

NOTE 10. CHANGES IN CAPITAL ASSETS

| | <u>Balance June 30, 2015</u> | <u>Additions</u> | <u>Deletions</u> | <u>Transfers</u> | <u>Balance June 30, 2016</u> |
|----------------------------------|--------------------------------------|-------------------|------------------|--------------------|--------------------------------------|
| Capital Assets, not depreciated: | | | | | |
| Land | \$ 9,626,519 | - | - | - | 9,626,519 |
| Construction in progress | 1,903,438 | 7,709,276 | - | (3,614,437) | 5,998,277 |
| Total not depreciated | <u>11,529,957</u> | <u>7,709,276</u> | <u>-</u> | <u>(3,614,437)</u> | <u>15,624,796</u> |
| Capital Assets, depreciated: | | | | | |
| Buildings | 74,029,834 | 658,717 | (603,925) | 3,471,252 | 77,555,878 |
| Other Improvements | 3,046,543 | 1,306,707 | (3,038) | 143,185 | 4,493,397 |
| Furniture and Equipment | 18,395,570 | 909,856 | (31,526) | - | 19,273,900 |
| Infrastructure | 76,851,800 | 15,580,508 | - | - | 92,432,308 |
| Vehicles | 8,613,096 | 2,166,453 | (234,317) | - | 10,545,232 |
| Total depreciated | <u>180,936,843</u> | <u>20,622,241</u> | <u>(872,806)</u> | <u>3,614,437</u> | <u>204,300,715</u> |
| Total Capital Assets | <u>192,466,800</u> | <u>28,331,517</u> | <u>(872,806)</u> | <u>-</u> | <u>219,925,511</u> |
| | | | | | |
| Buildings | 22,006,218 | 2,254,213 | (191,116) | - | 24,069,316 |
| Other Improvements | 1,853,832 | 159,266 | (3,038) | - | 2,010,060 |
| Furniture and Equipment | 13,711,782 | 789,440 | (10,036) | - | 14,491,186 |
| Infrastructure | 14,390,347 | 1,398,877 | - | - | 15,789,224 |
| Vehicles | <u>5,520,459</u> | <u>697,556</u> | <u>(210,885)</u> | <u>-</u> | <u>6,007,130</u> |
| Total accumulated depreciation | 57,482,638 | 5,299,352 | (415,075) | - | 62,366,916 |
| Net Capital Assets | \$ <u>134,984,162</u> | <u>23,032,165</u> | <u>(457,731)</u> | <u>-</u> | <u>157,558,595</u> |

Depreciation expense for the year ended June 30, 2016 was charged to the following functions and funds:

| | |
|---|---------------------|
| General Government | \$ 2,432,053 |
| Public Works | 1,931,613 |
| Public Safety | 860,738 |
| Health and Welfare | 66,429 |
| Culture and Recreation | <u>8,520</u> |
| Total depreciation expense: governmental activities | <u>\$ 5,299,352</u> |

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

NOTE 10. CHANGES IN CAPITAL ASSETS (CONTINUED)

| | <u>Balance June 30, 2015</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2016</u> |
|---|--------------------------------------|------------------|------------------|--------------------------------------|
| Capital Assets Used in Business-type Activities: | | | | |
| Capital Assets, not depreciated: | | | | |
| Land | \$ 575,000 | - | - | 575,000 |
| Construction in progress | 2,062,508 | 285,501 | - | 2,348,009 |
| Total not depreciated | <u>\$ 2,637,508</u> | <u>285,501</u> | <u>-</u> | <u>2,923,009</u> |

In accordance with GASB 34, depreciation policies were adopted to include useful lives and classification by function.

NOTE 11. LONG-TERM DEBT

Revenue Bonds

Bonds outstanding at June 30, 2016 consist of the following issue:

| | |
|----------------------------------|---------------|
| Gross Receipts Tax Revenue Bonds | |
| Series: | June 30, 2013 |
| Original Issue: | \$10,000,000 |
| Principal: | June 1 |
| Interest: | June 1 |
| Rate: | 2.140% |

On March 28, 2013, the County obtained the Gross Receipts Tax Bonds, Series 2013. The bonds are special and limited obligations of the County and are secured by and payable solely from the pledged gross receipts tax revenue. The Bond agreement requires the maintenance of a gross receipt tax debt service fund into which the County covenants to pay from the pledged revenues sums sufficient to pay when due the principal and interest on these bonds. At June 30, 2016, the County had \$1,292,109 in the gross receipts tax debt service fund. The County is in compliance with all significant requirements of the bonds' covenants.

NM Finance Authority Loan

On March 25, 2016 borrowed \$32,060 from NM Finance Authority in order to accept a grant for \$288,542. The loan was taken to fund part of the Colonias Infrastructure project and was used to pay for water system improvements. The loan was repaid on May 27, 2016. No interest was paid on the loan. No interest was incurred, as the loan was repaid prior to the first required payment.

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

NOTE 11. LONG-TERM DEBT (CONTINUED)

Long-term liability for the year ended June 30, 2016 was as follows:

| | <u>June 30, 2015</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2016</u> | <u>Due Within One Year</u> |
|------------------------------|--------------------------|------------------|--------------------|--------------------------|--------------------------------|
| Gross receipts Revenue Bonds | | | | | |
| Series: June 30, 2013 | \$ 7,790,000 | - | (705,000) | 7,085,000 | 720,000 |
| NM Finance Authority Loan | - | 32,060 | (32,060) | - | - |
| Compensated Absences | 782,320 | 531,019 | (607,398) | 705,941 | 176,485 |
| Total Long-Term Debt | <u>\$ 8,572,320</u> | <u>563,079</u> | <u>(1,344,458)</u> | <u>7,790,941</u> | <u>896,485</u> |

The annual debt service requirements to maturity, including principal and interest for long-term debt as of June 30, 2016, are as follows:

| Gross Receipts Bonds Series 2013 | | | | |
|---|----|-----------------|------------------|-------------------|
| Year Ending | | Interest | Principal | Total Debt |
| June 30, | | | | Service |
| 2017 | \$ | 151,620 | 720,000 | 871,620 |
| 2018 | | 136,212 | 735,000 | 871,212 |
| 2019 | | 120,482 | 755,000 | 875,482 |
| 2020 | | 104,326 | 775,000 | 879,326 |
| 2021 | | 87,740 | 785,000 | 872,740 |
| 2022-2025 | | 179,336 | 3,315,000 | 3,494,336 |
| Total | \$ | <u>779,716</u> | <u>7,085,000</u> | <u>7,864,716</u> |

The County paid interest on long-term debt of \$166,652 during fiscal year 2016.

Compensated Absence: Employees of the County are able to accrue a limited amount of vacation during the year. The compensated absences liability decreased \$76,379 from the prior year. The General Fund is typically used for liquidation of compensated absences.

NOTE 12. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT

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

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

NOTE 12. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C- 1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

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

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

Contributions: The contribution requirements of defined benefit plan members and the County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf. The PERA coverage options that apply to County are Municipal Plan 2 and Municipal Police Plan 5. In accordance with Chapter 10, Article 11, Section 5 NMSA 1978, the County has elected to make contributions of up to 50% of its employees' member contributions under the Municipal Plan 2 and 28.28% of the Municipal Police Plan 5. Statutorily required contributions to the pension plan from the County were \$1,594,495 and employer paid member benefits that were "picked up" by the employer were \$725,372 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, 2015. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2016. The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: members; state police members and legislative members. The County's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2016. Only employer contributions for the pay period end dates that fell within the

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

NOTE 12. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

period of July 1, 2015 to June 30, 2016 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2016 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the municipal general members; municipal police members; municipal fire members; state general 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 Plan 2, at June 30, 2016, the County reported a liability of \$12,421,624 for its proportionate share of the net pension liability. At June 30, 2016, the County's proportion was 1.2183% percent.

For the year ended June 30, 2016, the County recognized PERA Fund Division Municipal Plan 2 pension expense of \$570,325. At June 30, 2016, the County reported PERA Fund Division Municipal Plan 2 deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ - | 275,145 |
| Changes in assumptions | - | 4,839 |
| Net difference between projected and actual earnings on pension plan investments | - | 39,294 |
| Changes in proportion and differences between County's contributions and proportionate share of contributions | 306,777 | - |
| County's contributions subsequent to the measurement date | <u>1,609,785</u> | <u>-</u> |
| Total | \$ <u><u>1,916,562</u></u> | <u><u>319,278</u></u> |

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

NOTE 12. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

\$1,609,785 reported as deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

| | | |
|------------|----|-----------|
| 2017 | \$ | (328,999) |
| 2018 | | (328,999) |
| 2019 | | (328,999) |
| 2020 | | 360,942 |
| 2021 | | - |
| Thereafter | | |

For PERA Fund Division Municipal Police Plan 5, at June 30, 2016, the County reported a liability of \$6,459,339 for its proportionate share of the net pension liability. At June 30, 2016, the County’s proportion was 1.3433 percent.

For the year ended June 30, 2016, the County recognized PERA Fund Division Municipal Police Plan 5 pension expense of \$356,691. At June 30, 2016, the County reported PERA Fund Division Municipal Police Plan 5 deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ - | - |
| Changes in assumptions | - | 267,236 |
| Net difference between projected and actual earnings on pension plan investments | 451,352 | 17,918 |
| Changes in proportion and differences between County’s contributions and proportionate share of contributions | - | 229,507 |
| County’s contributions subsequent to the measurement date | <u>710,083</u> | <u>-</u> |
| Total | <u>\$ 1,161,435</u> | <u>514,661</u> |

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

NOTE 12. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

\$710,083 reported as deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

| | | |
|------------|----|----------|
| 2017 | \$ | (55,000) |
| 2018 | | (55,000) |
| 2019 | | (55,000) |
| 2020 | | 228,309 |
| 2021 | | - |
| Thereafter | | - |

Actuarial assumptions: As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2015 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2016 actuarial valuation.

| | |
|----------------------------|--|
| Actuarial valuation date | June 30, 2014 |
| Actuarial cost method | Entry age normal |
| Amortization method | Level of percentage pay |
| Amortization period | Solved for based on statutory rates |
| Asset valuation method | Fair value |
| Actuarial assumptions | |
| Investment rate of return | 7.75% annual rate, net of investment expense |
| Payroll growth | 3.50% annual rate |
| Projected salary increases | 3.50% to 14.25% annual rate |
| Includes inflation at | 3.00% annual rate |

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

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

NOTE 12. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------------|-------------------|---|
| US Equity | 21.1% | 5.00% |
| International Equity | 24.8% | 5.20% |
| Private Equity | 7.0% | 8.20% |
| Core and Global Fixed Income | 26.1% | 1.85% |
| Fixed Income Plus Sectors | 5.0% | 4.80% |
| Real Estate | 5.0% | 5.30% |
| Real Assets | 7.0% | 5.70% |
| Absolute Return | 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 lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

PERA Fund Division Municipal Plan 2

| | 1% Decrease (6.75%) | Current Discount Rate (7.75%) | 1% Increase (8.75%) |
|---|------------------------|-------------------------------------|------------------------|
| County’s proportionate share of the net pension liability | \$21,149,097 | 12,421,624 | 5,156,323 |

NOTE 12. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

PERA Fund Division Municipal Police Plan 5

| | <u>1% Decrease (6.75%)</u> | <u>Current Discount Rate (7.75%)</u> | <u>1% Increase (8.75%)</u> |
|---|--------------------------------|--|--------------------------------|
| County's proportionate share of the net pension liability | 10,667,210 | 6,459,339 | 3,007,461 |

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

NOTE 13. POST EMPLOYMENT BENEFITS—STATE RETIREE HEALTH CARE PLANS

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

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for the employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; (2) retirees defined by the

Act who retired prior to July 1, 1990; (3) former legislators who served at least two years; and (4) former governing authority members who served at least four years.

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

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

**NOTE 13. POST EMPLOYMENT BENEFITS—STATE RETIREE HEALTH CARE PLANS
(CONTINUED)**

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2016, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The County's contributions to the RHCA for the years June 30, 2016, 2015 and 2014 were \$405,970, \$344,541, and \$336,946 respectively which equal the required contributions and the County "pickup" portion for each year. The employer paid member benefits that were "picked up" by the County were \$121,089 for the year ended June 30, 2016.

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

NOTE 14. DEFERRED COMPENSATION PLAN

The State of New Mexico offers state, local government and school district employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all State employees and those local government and school district employees whose employers have elected participation in the plan, permits participants to defer a portion of their salary until future years.

The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) held in trust for the participants in the plan.

There are employees that are making contributions to the Deferred Compensation Plan. Neither the County nor the State of New Mexico made any contributions to the Deferred Compensation Plan. All contributions withheld from participant's wages by the County have been paid to the New Mexico Employees' Retirement Association, which administers the plan.

NOTE 15. CONTINGENT LIABILITIES

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

Economic Development Agreement – Lea County entered into an economic development agreement dated October 19, 2010, with the Economic Development Corporation of Lea County, Inc. (EDC) to unconditionally guaranty on behalf of EDC any and all amounts that EDC may be required to pay to the Air Carrier pursuant to the revenue guaranty or other provisions of the Air Services Contract, and subject to the limitation that the first \$250,000 due to Air Carrier under revenue guarantee provisions during the first twelve month period of Air Service shall not be guaranteed by the County.

The County has provided EDC with an irrevocable standby letter of credit for \$900,000 as guaranty for performance of this agreement and stand by letter of credit will remain in effect for the term of the Air Services Contract. No amounts were charged against the letter of credit during fiscal year 2016.

Lea County contributed \$220,063 to EDC under the above described agreement for the fiscal year ended June 30, 2016.

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

NOTE 16. CONDUIT DEBT OBLIGATION

The County Issued Industrial Revenue Bonds (IRBs) totaling \$4,111,000,000 for projects as follows:

LES - the County issued \$4,000,000,000 in IRBs to provide funds to finance the acquisition, construction and installation of an expansion to the national enrichment facility project. Final maturity date of the bonds is January 22, 2034. The bonds are secured by a security agreement and a collateral pledge of the Lease to the Purchaser.

Intrepid Potash-New Mexico LLC - the County issued \$40,000,000 in IRBs to provide funds to finance the acquisition and construction of an industrial revenue bond manufacturing and processing facility to be used by Intrepid Potash-New Mexico. Final maturity date of the bonds is February 1, 2032. The bonds are secured by all tangible personal property located in Lea County, New Mexico used in connection with manufacturing and processing of potash including but not necessarily limited to all the costs of which are financed or reimbursed with the proceeds of the Lea County, New Mexico, Taxable Industrial Revenue Bond.

Wildcat Wind LLC - the County issued \$51,000,000 in IRBs in connection with a Wind Energy Generating Facility. Final maturity date of the bonds is March 1, 2032. The bonds are secured by all tangible personal property located in Lea County, New Mexico used in connection with wind generation of electricity but not necessarily limited to all personal property installed or located at the Project Site for use as part of the Project.

Jut Demonstration Inc. - the County issued \$20,000,000 in IRBs to provide funds to finance the acquisition, construction and installation of an industrial development project. Final maturity date of the bonds is March 20, 2032. The bonds are secured by all the Debtor's right, title and interest in and to the Project Property and the Lease and Purchase Agreement.

The County has no liability for the IRBs in the event of default by the borrowers. Accordingly, the bonds are not reported as liabilities in the County's financial statements.

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

NOTE 17. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

Deficit fund balance of individual funds: The following funds reflected a deficit fund balance as of June 30, 2016:

| Fund | Deficit Balance |
|------------------------|----------------------------|
| Road fund (402) | \$ (2) |
| Capital Projects (430) | (312,179) |
| Total | \$ <u>(312,181)</u> |

The fund balance is deficit because expenditures were in excess of revenues and available cash and there were not sufficient transfers to cover the deficits. Future budget line items will be strictly monitored and reviewed to ensure funds operate within the approved budget.

Excess of expenditures over appropriations - There were no funds that had expenditures in excess of approved budgetary appropriations for the year ended June 30, 2016.

NOTE 18. BUDGET TO ACTUAL PRESENTATION

Management has decided to present funds that serve the same purpose under one fund instead of presenting each fund separately. Thus, budget to actual statements are not presented for the following funds:

Fire Fund (400)

- Malijmar Fire District (407)
- Knowles Fire District (408)
- Airport Fire (409)
- Monument Fire District (410)

The budgetary information for these funds can be found on the budget to actual statement for fund 400.

DWI Fund (412)

- DWI Alcohol (412)
- DWI Screening (435)
- LDWI (436)
- CDWI (437)
- Misdemeanor Compliance (439)

The budgetary information for these funds can be found on the budget to actual statement for fund 412.

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

NOTE 18. BUDGET TO ACTUAL PRESENTATION (CONTINUED)

High Intensity Drug Trafficking Areas Funds (609)

- JAG Grant (607)
- Lea County HIDTA (608)
- HIDTA Funds (609)
- LCDTF JAG (611)
- HIDTA JAG Grant (612)

The budgetary information for these funds can be found on the budget to actual statement for fund 609.

NOTE 19. JOINT POWERS AGREEMENTS

As of March 6, 1995, the County entered into a joint powers agreement with all municipalities in Lea County for the Lea County Solid Waste Authority (Authority). The agreement was renewed March 31, 1998. As a result of the joint venture, the County has agreed to a loan to the Authority for the construction of a solid waste disposal facility. The loan was paid in full in FYE 2014.

The County entered into a joint powers agreement with all municipalities in Lea County for the Lea County Water Users Association (Association) on September 23, 1997. The agreement automatically renews for an additional two years unless terminated by the Executive Board. The purpose of the agreement is to enact a water management plan for the citizens of Lea County. The County is designated the fiscal agent of the Association and is responsible for 45.8% of the proposed funding needed for the Association. The County did not remit any funds to the Association in the fiscal year ended June 30, 2016.

The County along with the City of Hobbs formed a joint powers agreement regarding the cleanup and

Land Office. The purpose of the agreement is to allocate financial responsibility of the costs to be incurred in connection with cleanup. The County's responsibility is to contract with the Lea County Solid Waste Authority, as necessary, for the services of hauling trash and debris.

Costs involved in the project are to be allocated, with the County responsible for paying 25%. The County must also invoice the party responsible for the illegal disposal, Occidental/Permian Limited Partnership ("Oxy"), for another 25% of the disposal costs. Expenditures for the County are not to exceed \$15,000 without prior written consent of all parties involved. The agreement became effective November 17, 2003, and either party to the agreement can terminate participation by providing thirty days written notice.

The County also established a joint powers agreement with the Hobbs Municipal School District, City of Hobbs, New Mexico Junior College, City of Lovington, Eunice Municipal School District, Tatum Municipal School District and Jal Municipal School District for the purpose of enabling the parties involved to benefit from substantial savings in the procurement of similar services, construction or tangible personal property. The agreement became effective November 17, 2003, and any party to the agreement can terminate participation by providing thirty days written notice. Any of the participating agencies may act as the Lead Agency whereby that agency shall contact the remaining participating

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

NOTE 19. JOINT POWERS AGREEMENTS (CONTINUED)

agencies to determine if they are willing to participate in a bid or proposal for quote to be prepared by the Lead Agency.

On July 25, 2006, the County entered into a joint powers agreement with the Southeastern New Mexico Economic Development District/COG. The purpose of the agreement is to facilitate economic development in the region through planning, development, legislative, and strategizing services. The agreement is indefinite in term.

The County established a joint powers agreement with the Eddy-Lea Energy Alliance on July 29, 2006. The goal of this agreement is to evaluate a site for use by the Global Nuclear Energy Partnership and the United States Department of Energy. This is hoped to bring new, higher-wage jobs to the area and strengthen the economic base of the region. The agreement is perpetual, but may be terminated with the written consent of all voting members. The agreement shall terminate at the discretion of the contracting parties.

The County established a joint powers agreement with the City of Hobbs on January 4, 2010 to further the public interest and protect the safety, health and welfare of the people of Hobbs, New Mexico and Lea County, New Mexico and to define the role of the City and County in establishing a joint Emergency Communications Center, namely, the joint management and operations of an emergency communications district.

On May 30, 2013, the County established a joint planning agreement with the Commissioner of Public Lands of the State of New Mexico to explore opportunities to jointly plan or master plan state trust lands within the County boundaries but outside of any extra zoning jurisdiction in the County. Planning objectives and prioritization of planning efforts will be identified by a joint planning committee appointed by the Commissioner and the County. The right to terminate this agreement resides with the County and the Commissioner.

NOTE 20. MEMORANDUMS OF UNDERSTANDING

On June 16, 2014, the County entered into an agreement with the City of Hobbs. The purpose of this agreement is for the distribution of the 2014 Edward Byrne Memorial Justice Assistance Grant. The total grant award is \$20,525 and will be divided 60/40 with the City of Hobbs Police Department receiving \$12,315 and Lea County Sheriff's Department receiving \$8,210. The City of Hobbs is the fiscal agent.

On October 30, 2014, the County entered into an agreement with the Town of Tatum for funding of outdoor recreational facilities. The County will be responsible for providing up to \$100,000 for the project during fiscal year 2014/2015 and for providing technical assistance or input as requested by the Town of Tatum. The Town of Tatum will be responsible for the maintenance of the project during the construction of the project and following the completion of the project. This agreement is effective until June 30, 2015.

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

NOTE 20. MEMORANDUMS OF UNDERSTANDING (CONTINUED)

The right to terminate this agreement resides with Lea County or the Town of Tatum which may occur upon 30 days written notice to the other party.

On December 17, 2014, the County entered into an agreement with New Mexico Junior College (NMJC) for the Construction, Operation and Joint Use of an Indoor Equestrian Facility. New Mexico Junior College agrees to contribute \$3,000,000 to the County as partial funding for the cost to construct the Facility, to be deposited in the County's general fund under a capital development account established for the facility. The County shall provide all funding required in addition to the \$3,000,000 from NMJC to complete the design and construction for the Facility.

The right to terminate this agreement during the first five years will be only by the mutual written agreement of the parties.

On April 23, 2015, the County entered into an agreement with the City of Lovington for the construction of a walking path from Chaparral Park to the Lea County Courthouse. Both parties are in agreement to bring forward a plan on the construction for the walking path to be considered by the governing bodies of the County and the City.

The right to terminate this agreement resides with Lea County or the City of Lovington.

The County entered into an agreement with the City of Jal for the funding of a water well. The County will be responsible for providing \$100,000 for the project during fiscal year 2014/2015 and for providing technical assistance or input as requested by the City of Jal. The City of Jal will be responsible for the maintenance of the water well during the construction of the project and following the completion of the project.

The right to terminate this agreement resides with Lea County or the City of Jal upon a 30 day written notice of termination. Any funds remaining unspent shall be refunded to Lea County within 30 days of the termination date.

On April 28, 2016, the County entered into an agreement with the Lea County Communication Authority. The Lea County Communication Authority will operate and maintain a P25 800 MHz radio system in order to provide radio and communication services to Lea County and various surrounding cities. The County is responsible for maintenance sites located within the County (Jal, Jal West, Eunice, and Tatum). The cost of maintenance will be shared amongst the County and the various sites. This agreement will continue indefinitely or until written notification requesting termination of the MOU is obtained. Written notification must be obtained at least six months prior to effective termination date.

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

NOTE 21. RECENT ACCOUNTING PRONOUNCEMENTS

In February 2015, the GASB issued statement No. 72, *Fair Value Measurement and Application*. This Statement provides guidance for determining the fair value and applying the fair value to certain investments and note disclosures. GASB Statement No. 72 was effective for periods ending after June 15, 2016. The adoption of GASB Statement No. 72 did not have any effect on the County's Financial Statements.

In June 2015, the GASB issued 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 No. 67 and 68*. This Statement establishes requirements for defined benefit pension plans and other pension plans not addressed under GASB Statement No. 68. This Statement also amends some requirements of GASB Statement No. 67 and GASB Statement No. 68. GASB Statement No. 73 clarifies requirements of GASB Statements No. 67 and 68 regarding the information that must be presented as notes to the required supplemental 10 year schedules, accounting and financial reporting for certain liabilities for individual employers and non-employer contributing entities, and the revenue recognition for non-employer contributing entities that are not in a special funding situation. This statement requires that all pensions under GASB Statement No. 68 that are not administered through trusts and meet the requirements of GASB Statement No. 68 not be classified as pension plan assets. The implementation of GASB No. 73 did not have an impact on the County's Financial Statements.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Statement No. 76, which supersedes Statement No. 55, aims to identify, in the context of the current governmental financial reporting environment, the hierarchy of U.S. GAAP, which consists of the sources of accounting principles used to prepare the financial statements of state and local governments entities in conformity with U.S. GAAP, as well as the framework for selecting those principles. The County adopted GASB Statement No. 76 during fiscal year 2016, with no significant impact to the County's financial statements.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement establishes criteria that must be met for an external investment pool to be permitted to measure its investments at the amortized cost for financial reporting purposes. This Statement also requires that the pool participants of external investment pools that meet the criteria also report their investments at the amortized cost for financial reporting purposes. External Investment Pools that not meet the requirement are required to follow paragraph 16 of GASB Statement No. 31. GASB Statement No. 79 requires additional note disclosures to be made in qualifying external investment pools financial statements. The additional note disclosures are also required to be made in the pool participants financial statements. The adoption of GASB Statement No. 79 did not have a significant impact on the County's financial statements.

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

NOTE 22. NEW ACCOUNTING PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2016.

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2016.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*

GASB Statement No. 77, *Tax Abatement Disclosures*

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*

GASB Statement No. 80, *Blending Requirements for Certain Units – an amendment to GASB Statement No. 14*

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*

GASB Statement No. 82, *Pension Issues (an Amendment of GASB Statements No. 67, No. 68, and No. 73)*

The County will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The County believes that the above listed new GASB pronouncements will not have a significant financial impact to the County or in issuing its financial statements.

NOTE 23. SUBSEQUENT EVENTS

The entity has evaluated subsequent events through November 1, 2016, the date which the financial statements were available to be issued. As of the report date, November 1, 2016, no subsequent events were identified by management.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
 LEA COUNTY
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 JUNE 30, 2016

Public Employees Retirement Association of New Mexico
 Schedule of Ten Year Tracking Data*
 (Dollars in Thousands)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-----------|---------|-------|-------|-------|-------|-------|-------|-------|-------|
| County's Proportion of the Net Pension Liability (Asset) | 2.60% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| County's Proportionate Share of Net Pension Liability (Asset) | \$ 13,782 | 18,881 | - | - | - | - | - | - | - | - |
| County's Covered-Employee Payroll | \$ 12,700 | 13,436 | - | - | - | - | - | - | - | - |
| County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll | 108.52% | 140.53% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 81.29% | 76.99% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

*The amounts presented for each fiscal year were determined as of June 30, 2014

STATE OF NEW MEXICO
 LEA COUNTY
 SCHEDULE OF COUNTY CONTRIBUTIONS
 JUNE 30, 2016

Public Employees Retirement Association of New Mexico
 Schedule of Ten Year Tracking Data
 General and Police Divisions Combined Summary
 (Dollars in Thousands)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|----------|-------|------|------|------|------|------|------|------|------|
| Contractually Required Contribution | \$ 1,456 | 2,319 | - | - | - | - | - | - | - | - |
| Contributions in Relation to the Contractually Required Contribution | 1,456 | 2,319 | - | - | - | - | - | - | - | - |
| Contribution Deficiency (Excess)* | \$ - | - | - | - | - | - | - | - | - | - |

Increase (Decrease) in Pension Expense over Recognition Periods

| Year | Total Amount Deferred | Amortization Years | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|------|-----------------------|--------------------|-------|-------|-------|-------|------|------|------|------|------|------|
| 2014 | \$ 5,685 | 5 | 1,421 | 1,421 | 1,422 | 1,421 | 2 | - | - | - | - | - |
| 2015 | \$ (563) | 5 | - | (384) | (384) | (384) | 589 | - | - | - | - | - |
| 2016 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2017 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2018 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2019 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2020 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2021 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2022 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2023 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| | \$ 5,122 | | 1,421 | 1,037 | 1,038 | 1,037 | 591 | - | - | - | - | - |

*Excess contributions represent the employee portion covered by the employer

STATE OF NEW MEXICO
 LEA COUNTY
 SCHEDULE OF COUNTY CONTRIBUTIONS
 JUNE 30, 2016

Public Employees Retirement Association of New Mexico
 Schedule of Ten Year Tracking Data
 General Division
 (Dollars in Thousands)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|--------|-------|------|------|------|------|------|------|------|------|
| Contractually Required Contribution | \$ 957 | 1,609 | - | - | - | - | - | - | - | - |
| Contributions in Relation to the Contractually Required Contribution | 957 | 1,609 | - | - | - | - | - | - | - | - |
| Contribution Deficiency (Excess)* | \$ - | - | - | - | - | - | - | - | - | - |

Increase (Decrease) in Pension Expense over Recognition Periods

| Year | Total Amount Deferred | Amortization Years | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------|-----------------------|--------------------|------|--------|-------|-------|-------|------|------|------|------|------|
| 2014 | \$ 3,566 | 5 | - | \$ 891 | 891 | 892 | 892 | - | - | - | - | - |
| 2015 | \$ (626) | 5 | - | - | (329) | (329) | (329) | 361 | - | - | - | - |
| 2016 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2017 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2018 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2019 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2020 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2021 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2022 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| 2023 | - | 5 | - | - | - | - | - | - | - | - | - | - |
| | \$ 2,940 | | \$ - | 891 | 562 | 563 | 563 | 361 | - | - | - | - |

*Excess contributions represent the employee portion covered by the employer

STATE OF NEW MEXICO
 LEA COUNTY
 SCHEDULE OF COUNTY CONTRIBUTIONS
 JUNE 30, 2016

Public Employees Retirement Association of New Mexico
 Schedule of Ten Year Tracking Data
 Police Division
 (Dollars in Thousands)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|------------|---------|------|------|------|------|------|------|------|------|
| Contractually Required Contribution | \$ 499,000 | 710,000 | - | - | - | - | - | - | - | - |
| Contributions in Relation to the Contractually Required Contribution | 499,000 | 710,000 | - | - | - | - | - | - | - | - |
| Contribution Deficiency (Excess)* | \$ - | - | - | - | - | - | - | - | - | - |

Increase (Decrease) in Pension Expense over Recognition Periods

| Year | Total Amount Deferred | Amortization Years | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------|-----------------------|--------------------|---------------|--------|------------|------------|------------|------------|----------|----------|----------|----------|
| 2014 | \$ 2,119 | 5 | | \$ 530 | 530 | 530 | 529 | 2 | | | | |
| 2015 | \$ 63 | 5 | | | (55) | (55) | (55) | 228 | - | | | |
| 2016 | - | 5 | | | | - | - | - | - | - | | |
| 2017 | - | 5 | | | | | - | - | - | - | - | |
| 2018 | - | 5 | | | | | | - | - | - | - | - |
| 2019 | - | 5 | | | | | | | - | - | - | - |
| 2020 | - | 5 | | | | | | | | - | - | - |
| 2021 | - | 5 | | | | | | | | | - | - |
| 2022 | - | 5 | | | | | | | | | | - |
| 2023 | - | 5 | | | | | | | | | | - |
| | <u>\$ 2,182</u> | | <u>\$ 530</u> | | <u>475</u> | <u>475</u> | <u>474</u> | <u>230</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

*Excess contributions represent the employee portion covered by the employer

STATE OF NEW MEXICO
LEA COUNTY
NOTES TO PENSION REQUIRED SUPPLEMENTARY
INFORMATION
JUNE 30, 2016

Changes of Benefit Terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at:

http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at:

http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

STATE OF NEW MEXICO
LEA COUNTY
FUND DESCRIPTIONS
JUNE 30, 2016

SPECIAL REVENUE FUNDS

Fire Fund (400) - To account for the operations of the County's fire departments. Financing is provided by the State Fire Protection Fund and is restricted to fire protection use as authorized by Section A-53-4, NMSA 1978.

Farm and Range Fund (403) - To account for funds collected under the Taylor Grazing Act for the control of animals specified in Section 6-11-6 NMSA 1978.

Community Centers (404) - To account for revenues from cigarette tax restricted for the maintenance of County parks as specified in Section 7-12-15 NMSA 1978.

Clerk's Recording & Filing (405) - To account for equipment recording fees that shall be expensed for rent, purchase lease, or lease-purchase equipment associated with recording, filing, maintaining or reproducing documents in the County Clerk's office. The fund is authorized by Section 14-8-12.2, NMSA 1978.

Maljamar Fire Department (407) - To account for the operations of the County's fire departments. Financing is provided by the State Fire Protection Fund and is restricted to fire protection use as authorized by Section A-53-4, NMSA 1978.

Knowles Fire Department (408) - To account for the operations of the County's fire departments. Financing is provided by the State Fire Protection Fund and is restricted to fire protection use as authorized by Section A-53-4, NMSA 1978.

Airport Fire Department (409) - To account for the operations of the County's fire departments. Financing is provided by the State Fire Protection Fund and is restricted to fire protection use as authorized by Section A-53-4, NMSA 1978.

Monument Fire Department (410) - To account for the operations of the County's fire departments. Financing is provided by the State Fire Protection Fund and is restricted to fire protection use as authorized by Section A-53-4, NMSA 1978.

Environmental Gross Receipts Tax (411) - To account for revenues provided by one-eighth of one percent of County environmental services gross receipts tax imposed by County Ordinance #59.

DWI Grant (412) - To account for funds received from the state of New Mexico to be spent on the DWI program. The fund is authorized by Sections 11-6A-1 through 11-6A-6, NMSA 1978.

H.B. 198 Summer Youth Prog (414) - To account for funds provided by the New Mexico Highway Department to be used for litter control and highway beautification. The fund was authorized by Section 67-14, NMSA 1978 and the New Mexico Litter Control and Beautification Act of 1985.

Correction Fees (415) - To account for funds from the state of New Mexico that are restricted to providing care for prisoners in the County detention facility. The fund is authorized by Section 33-3-5, NMSA 1978.

STATE OF NEW MEXICO
LEA COUNTY
FUND DESCRIPTIONS
JUNE 30, 2016

SPECIAL REVENUE FUNDS (CONTINUED)

Paving Districts (416) – To account for funds expended in engineering and construction of pavement on Piedras Drive, Baggett Drive and Sandcastle Subdivision. The County chose the Petition Method 4-55A-3(2) to create the District. The fund was authorized by Section 4-55A-1 to 4-55A-43, NMSA 1978.

PRCA Steer Roping (417) - To account for the operations of the PRCA associated with the National Finals

Steer Roping (NFSR) held at the Lea County Events Center. Lea County has entered into an agreement with the PRCA to hold the NFSR in Lea County for the years 2006, 2007, and 2008. This fund was created pursuant to the County's 2006 Agreement with the PRCA.

Detention Facilities (418) – To account for the revenues and expenditures related to the operation of the Lea County Detention Center. This fund is authorized by Resolution No. 14-JUL-030R.

Revolving Loan Fund (421) - To account for the loan funds received under the 1986 Community Development Block Grant Program (CDBG) #86-C-NR-I-04-GA-091.

EMPG Reimbursement (424) – To account for salary reimbursement for the 2015 Emergency Management Performance Grant Program issued by the NM Department of Homeland Security and Emergency Management. The grant was used to support activities essential to the ability of states, territories, and urban areas to prepare for, prevent and respond to terrorist attacks and other all-hazards events. 2015 Federal Grant No. EMW-2015-EP-00066-S01 CDFR No. 97.042.

Youth Reporting Center (425) – To account for the 2016 Juvenile Justice Advisory Committee Grant from the State of New Mexico Children, Youth, and Families Department. The grant was awarded to Lea County to aid in improving the Juvenile Justice System and decrease the incidences of juvenile delinquency in the community while increasing the emphasis on prevention and early intervention in juvenile justice services. Agreement No. 16-690-18429.

Tire Recycling (426) – To account for the 2015-2016 Recycling and Illegal Dumping Grant expenditures awarded from the State of New Mexico Environment Department. Fund was awarded to reimburse Lea County for development costs to establish a recycling facility for used motor oil. Grant # 16NT-03.

Other Grants (431) -To account for grants and grant expenditures that are subject to tracking requirements, and authorized by various grant agreements.

Jal CDBG Wastewater (433) -To account for revenues and expenditures under the Community Block Development Grant #86-C-NR-1-04-GA-091.

Magistrate Court Security (438) - To account for activity related to security services for the Court, contracted by Lea County and the City of Hobbs. Initial funding was provided by Lea County and the City of Hobbs. Contract continuation is contingent upon sufficient appropriations and authorization being made by the County and the City.

**STATE OF NEW MEXICO
LEA COUNTY
FUND DESCRIPTIONS
JUNE 30, 2016**

SPECIAL REVENUE FUNDS (CONTINUED)

Airport (454) - Reactivated to account for revenues and expenses related to the operation of the Lea County Airport as per 49 CFR Section 18 - Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

Hospital Records Fund (456) - To account for the revenues and expenditures related to the maintenance of hospital records.

Property Valuation Fund (499) - To account for revenues provided by 2 percent of the property taxes received by the County to be used for appraisal programs presented by the County Assessor and approved by the majority of the County Commissioners. The fund is authorized by Section 7-38-38.1 NMSA 1978.

LCEC Permanent Fund (502) - To account for funds permanently restricted by a court- ordered stipulation agreement, subsequent to the completion of construction of the Lea County Event Center.

Stipulation Account (503) - To account for funds expended to complete construction of the Event Center and to receive interest from the non-expendable trust fund investments and use them to defray the cost of operating the Event Center. This fund was created as a result of the court ordered "stipulation for dismissal" in the litigation between certain plaintiffs and the Board of Commissioners of Lea County.

EMS Knowles (604) - To account for funds received from the state of New Mexico to be spent on emergency medical services equipment and operations for the Emergency Medical Services Departments as authorized by 24A-1.

Law Enforcement Protection Grant (605) - To account for the state funds received for law enforcement training and equipment as specified in Section 29-13-1, NMSA 1978.

Lea County Drug Task Force (HIDTA) (609) - Special revenue fund established by resolution to account for revenues and expenditures related to education and local enforcement of the drug program. This program is financed with federal grants aiming to ameliorate High Intensity Drug Trafficking Areas.

EMS Maljamar (613) - To account for funds received from the state of New Mexico to be spent on emergency medical services equipment and operations for the Emergency Medical Services Departments as authorized by 24A-1.

County Fire Marshall (618) - To account for the revenue and expenses of the Office of the County Fire Marshal established per Lea County Resolution 11-JUN026R and funded by the New Mexico State Fire Marshal's Office.

Fire Excise Tax (619) - To account for revenues provided by the imposition of an excise tax to one-fourth of one percent of gross receipts of businesses doing business in the County. The excise tax was approved by the electorate of the County on July 12, 1990, with the tax effective January 1, 1991. The funds are to be used to finance capital outlay costs of Lea County's independent fire districts. This fund is authorized by Sections 7-20E, NMSA 1978.

EMS Monument (621) - To account for funds received from the state of New Mexico to be spent on emergency medical services equipment and operations for the Emergency Medical Services Departments as authorized by 24A-1.

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

| | Fire Funds 400 | Farm and Range 403 | Recreation 404 | Clerk's Recording & Filing 405 | Malijmar Fire District 407 |
|--|-------------------|--------------------------|-------------------|--------------------------------------|----------------------------------|
| ASSETS | | | | | |
| <i>Current assets:</i> | | | | | |
| Cash and cash equivalents | \$ 216,826 | - | 72,388 | 295,803 | - |
| Investments | - | - | - | - | - |
| Receivables | | | | | |
| Property tax receivable | - | - | - | - | - |
| Receivable from other governments | - | - | - | - | - |
| Due from other funds | - | - | - | - | - |
| Other receivables | - | - | - | 8,736 | - |
| <i>Total current assets</i> | <u>\$ 216,826</u> | <u>-</u> | <u>72,388</u> | <u>304,539</u> | <u>-</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | | |
| <i>Current liabilities:</i> | | | | | |
| Accounts payable | \$ 9,690 | - | 755 | 46 | - |
| Accrued payroll liabilities | 7,688 | - | - | - | - |
| Due to other funds | - | 2 | - | - | - |
| Unearned revenue | - | - | - | - | - |
| <i>Total current liabilities</i> | <u>17,378</u> | <u>2</u> | <u>755</u> | <u>46</u> | <u>-</u> |
| <i>Fund balances (deficit)</i> | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 199,448 | - | 71,633 | 304,493 | - |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | (2) | - | - | - |
| <i>Total fund balance (deficit)</i> | <u>199,448</u> | <u>(2)</u> | <u>71,633</u> | <u>304,493</u> | <u>-</u> |
| <i>Total liabilities, deferred inflows, and fund balance (deficit)</i> | <u>\$ 216,826</u> | <u>-</u> | <u>72,388</u> | <u>304,539</u> | <u>-</u> |

See Notes to Financial Statements

| Knowles Fire District 408 | Airport Fire 409 | Monument Fire District 410 | Enviromental Gross Receipts Tax 411 | DWI 412 | H.B. 198 Summer Youth Prog 414 |
|------------------------------|---------------------|-------------------------------|--|------------|--------------------------------------|
| - | - | - | 3,287,386 | 568,115 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 122,113 | 58,863 | - |
| - | - | - | - | - | - |
| - | - | - | - | 39 | - |
| - | - | - | 3,409,499 | 627,017 | - |
| - | - | - | 78,286 | 8,768 | - |
| - | - | - | 18,061 | 27,657 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 96,347 | 36,425 | - |
| - | - | - | - | - | - |
| - | - | - | 3,313,152 | 590,592 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 3,313,152 | 590,592 | - |
| - | - | - | 3,409,499 | 627,017 | - |

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

| | Correction Fees 415 | Paving Districts 416 | PRCA Steer Roping 417 | Detention Facility 418 |
|--|---------------------------|----------------------------|-----------------------------|------------------------------|
| ASSETS | | | | |
| <i>Current assets:</i> | | | | |
| Cash and cash equivalents | \$ 660,245 | 2,538 | - | 133,217 |
| Investments | - | - | - | - |
| Receivables | | | | |
| Property tax receivable | - | - | - | - |
| Receivable from other governments | 46,556 | - | - | 203,144 |
| Due from other funds | - | - | - | - |
| Other receivables | - | - | - | 5,138 |
| <i>Total current assets</i> | <u>\$ 706,801</u> | <u>2,538</u> | <u>-</u> | <u>341,499</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | |
| <i>Current liabilities:</i> | | | | |
| Accounts payable | \$ 5,608 | - | - | 21,242 |
| Accrued payroll liabilities | - | - | - | 222,414 |
| Due to other funds | - | - | - | - |
| Unearned revenue | - | - | - | - |
| <i>Total current liabilities</i> | <u>5,608</u> | <u>-</u> | <u>-</u> | <u>243,656</u> |
| <i>Fund balances (deficit)</i> | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 701,193 | 2,538 | - | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | 97,843 |
| Unassigned | - | - | - | - |
| <i>Total fund balance (deficit)</i> | <u>701,193</u> | <u>2,538</u> | <u>-</u> | <u>97,843</u> |
| <i>Total liabilities, deferred inflows, and fund balance (deficit)</i> | <u>\$ 706,801</u> | <u>2,538</u> | <u>-</u> | <u>341,499</u> |

See Notes to Financial Statements

| Revolving Loan Fund 421 | EMPG Reimbursement 424 | Youth Reporting Center 425 | Tire Recycling 426 | Other Grants 431 |
|----------------------------------|------------------------------|----------------------------------|--------------------------|------------------------|
| 960 | 29,727 | 20,615 | - | 87,440 |
| 100,145 | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 42,150 |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>101,105</u> | <u>29,727</u> | <u>20,615</u> | <u>-</u> | <u>129,590</u> |
| - | - | - | - | 36,276 |
| - | 6,500 | 4,094 | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>-</u> | <u>6,500</u> | <u>4,094</u> | <u>-</u> | <u>36,276</u> |
| - | - | - | - | - |
| 101,105 | 23,227 | - | - | 93,314 |
| - | - | - | - | - |
| - | - | 16,521 | - | - |
| - | - | - | - | - |
| <u>101,105</u> | <u>23,227</u> | <u>16,521</u> | <u>-</u> | <u>93,314</u> |
| <u>101,105</u> | <u>29,727</u> | <u>20,615</u> | <u>-</u> | <u>129,590</u> |

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

| | Jal CDBG Wastewater 433 | Magistrate Court Security 438 | Airport 454 | Hospital Records 456 | Property Valuation Fund 499 |
|--|-------------------------------|--|------------------|----------------------------|--------------------------------------|
| ASSETS | | | | | |
| <i>Current assets:</i> | | | | | |
| Cash and cash equivalents | \$ 21,882 | 892 | 1,485,756 | - | 756,931 |
| Investments | - | - | - | - | - |
| Receivables | | | | | |
| Property tax receivable | - | - | - | - | - |
| Receivable from other governments | - | - | 532,239 | - | - |
| Due from other funds | - | - | - | - | - |
| Other receivables | - | - | - | - | - |
| <i>Total current assets</i> | <u>\$ 21,882</u> | <u>892</u> | <u>2,017,995</u> | <u>-</u> | <u>756,931</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | | |
| <i>Current liabilities:</i> | | | | | |
| Accounts payable | \$ - | - | 27,841 | - | 455 |
| Accrued payroll liabilities | - | - | 13,289 | - | 5,777 |
| Due to other funds | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - |
| <i>Total current liabilities</i> | <u>-</u> | <u>-</u> | <u>41,130</u> | <u>-</u> | <u>6,232</u> |
| <i>Fund balances (deficit)</i> | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 21,882 | - | 1,976,865 | - | 750,699 |
| Committed | - | - | - | - | - |
| Assigned | - | 892 | - | - | - |
| Unassigned | - | - | - | - | - |
| <i>Total fund balance (deficit)</i> | <u>21,882</u> | <u>892</u> | <u>1,976,865</u> | <u>-</u> | <u>750,699</u> |
| <i>Total liabilities, deferred inflows, and fund balance (deficit)</i> | <u>\$ 21,882</u> | <u>892</u> | <u>2,017,995</u> | <u>-</u> | <u>756,931</u> |

See Notes to Financial Statements

| LCEC Permanent Fund 502 | Stipulation Account 503 | EMS Knowles 604 | Law Enforcement Protection Grant 605 | High Intensity Drug Trafficking Areas Funds 609 | EMS Maljamar 613 |
|-------------------------|-------------------------|-----------------|--------------------------------------|---|------------------|
| - | 1,336 | 14,398 | 56,764 | 82,304 | 6,994 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 48,329 | - |
| - | - | - | - | - | - |
| - | - | - | - | 34,400 | - |
| <u>-</u> | <u>1,336</u> | <u>14,398</u> | <u>56,764</u> | <u>165,033</u> | <u>6,994</u> |
| - | - | - | - | 56,442 | - |
| - | - | - | - | 7,398 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>63,840</u> | <u>-</u> |
| - | - | - | - | - | - |
| - | - | 14,398 | 56,764 | 101,193 | 6,994 |
| - | - | - | - | - | - |
| - | 1,336 | - | - | - | - |
| - | - | - | - | - | - |
| <u>-</u> | <u>1,336</u> | <u>14,398</u> | <u>56,764</u> | <u>101,193</u> | <u>6,994</u> |
| <u>-</u> | <u>1,336</u> | <u>14,398</u> | <u>56,764</u> | <u>165,033</u> | <u>6,994</u> |

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

| | County Fire Marshall 618 | Fire Excise Tax 619 | EMS Monument 621 | Total Non-Major Special Revenue Funds | Debt Service Gross Receipts Debt Service 658 | Total Non-Major Funds |
|--|--------------------------------|---------------------------|------------------------|---|---|-----------------------------|
| ASSETS | | | | | | |
| <i>Current assets:</i> | | | | | | |
| Cash and cash equivalents | \$ 41,151 | 938,448 | 1,017 | 8,783,133 | 1,292,109 | 10,075,242 |
| Investments | - | - | - | 100,145 | - | 100,145 |
| Receivables | - | - | - | - | - | - |
| Property tax receivable | - | - | - | - | - | - |
| Receivable from other governments | - | - | - | 1,053,394 | 373,126 | 1,426,520 |
| Due from other funds | - | - | - | - | - | - |
| Other receivables | - | - | - | 48,313 | - | 48,313 |
| <i>Total current assets</i> | <u>\$ 41,151</u> | <u>938,448</u> | <u>1,017</u> | <u>9,984,985</u> | <u>1,665,235</u> | <u>11,650,220</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | | | |
| <i>Current liabilities:</i> | | | | | | |
| Accounts payable | \$ 773 | - | - | 246,182 | - | 246,182 |
| Accrued payroll liabilities | - | - | - | 312,878 | - | 312,878 |
| Due to other funds | - | - | - | 2 | - | 2 |
| Unearned revenue | - | - | - | - | - | - |
| <i>Total current liabilities</i> | <u>773</u> | <u>-</u> | <u>-</u> | <u>559,062</u> | <u>-</u> | <u>559,062</u> |
| <i>Fund balances (deficit)</i> | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | 40,378 | 938,448 | 1,017 | 9,309,333 | 1,665,235 | 10,974,568 |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | 116,592 | - | 116,592 |
| Unassigned | - | - | - | (2) | - | (2) |
| <i>Total fund balance (deficit)</i> | <u>40,378</u> | <u>938,448</u> | <u>1,017</u> | <u>9,425,923</u> | <u>1,665,235</u> | <u>11,091,158</u> |
| <i>Total liabilities, deferred inflows, and fund balance (deficit)</i> | <u>\$ 41,151</u> | <u>938,448</u> | <u>1,017</u> | <u>9,984,985</u> | <u>1,665,235</u> | <u>11,650,220</u> |

See Notes to Financial Statements

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

| | Fire Funds 400 | Farm and Range 403 | Community Centers 404 | Clerk's Recording & Filing 405 | Malijmar Fire District 407 |
|--|-------------------|--------------------------|-----------------------------|--------------------------------------|----------------------------------|
| Revenues | | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - |
| Licenses and permits | - | - | - | 110,556 | - |
| Intergovernmental: | | | | | |
| Federal | - | 15,970 | - | - | - |
| State | 265,451 | - | - | - | - |
| Charges for services | - | - | - | - | - |
| Investment earnings | - | - | - | - | - |
| Miscellaneous | 1,500 | - | - | - | - |
| Total revenues | <u>266,951</u> | <u>15,970</u> | <u>-</u> | <u>110,556</u> | <u>-</u> |
| Expenditures | | | | | |
| Current | | | | | |
| General government | 373,958 | 112,954 | - | 33,604 | - |
| Public safety | - | - | - | - | - |
| Culture and recreation | - | - | 18,906 | - | - |
| Health and welfare | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Capital outlay | 7,534 | - | - | - | - |
| Debt service | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Total expenditures | <u>381,492</u> | <u>112,954</u> | <u>18,906</u> | <u>33,604</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(114,541)</u> | <u>(96,984)</u> | <u>(18,906)</u> | <u>76,952</u> | <u>-</u> |
| Other financing sources (uses): | | | | | |
| Transfers in | 313,989 | 19,375 | - | - | - |
| Transfers out | - | - | - | - | (69,680) |
| Total other financing sources (uses) | <u>313,989</u> | <u>19,375</u> | <u>-</u> | <u>-</u> | <u>(69,680)</u> |
| Net changes in fund balances | 199,448 | (77,609) | (18,906) | 76,952 | (69,680) |
| Fund balances - beginning of year | - | 77,607 | 90,539 | 227,541 | 69,680 |
| Fund balances - end of year | <u>\$ 199,448</u> | <u>(2)</u> | <u>71,633</u> | <u>304,493</u> | <u>-</u> |

See Notes to Financial Statements

| Knowles Fire District 408 | Airport Fire 409 | Monument Fire District 410 | Enviromental Gross Receipts Tax 411 | DWI 412 | H.B. 198 Summer Youth Prog 414 |
|---------------------------------|---------------------|----------------------------------|--|------------|--------------------------------------|
| - | - | - | 1,483,954 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 795,661 | - |
| - | - | - | - | 306,116 | - |
| - | - | - | - | - | - |
| - | - | - | - | 2,363 | - |
| - | - | - | 1,483,954 | 1,104,140 | - |
| - | - | - | 1,960,625 | 980,472 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 1,960,625 | 980,472 | - |
| - | - | - | (476,671) | 123,668 | - |
| - | - | - | - | 1,976 | - |
| (14,918) | (35,296) | (26,572) | - | - | (9,044) |
| (14,918) | (35,296) | (26,572) | - | 1,976 | (9,044) |
| (14,918) | (35,296) | (26,572) | (476,671) | 125,644 | (9,044) |
| 14,918 | 35,296 | 26,572 | 3,789,823 | 464,948 | 9,044 |
| - | - | - | 3,313,152 | 590,592 | - |

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

| | Correction Fees 415 | Paving Districts 416 | PRCA Steer Roping 417 | Detention Facility 418 |
|--|---------------------------|----------------------------|-----------------------------|------------------------------|
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | 184,169 | - | - | - |
| Charges for services | - | - | - | 2,577,246 |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>184,169</u> | <u>-</u> | <u>-</u> | <u>2,577,246</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 185,405 | - | - | - |
| Public safety | - | - | - | 8,494,749 |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>185,405</u> | <u>-</u> | <u>-</u> | <u>8,494,749</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(1,236)</u> | <u>-</u> | <u>-</u> | <u>(5,917,503)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | 5,000,000 |
| Transfers out | - | - | (68,237) | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>(68,237)</u> | <u>5,000,000</u> |
| Net changes in fund balances | (1,236) | - | (68,237) | (917,503) |
| Fund balances - beginning of year | <u>702,429</u> | <u>2,538</u> | <u>68,237</u> | <u>1,015,346</u> |
| Fund balances - end of year | <u>\$ 701,193</u> | <u>2,538</u> | <u>-</u> | <u>97,843</u> |

See Notes to Financial Statements

| Revolving Loan Fund 421 | Revolving EMPG Reimbursement 424 | Youth Reporting Center 425 | Tire Recycling 426 | Other Grants 431 |
|----------------------------------|---|----------------------------------|--------------------------|------------------------|
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 658,960 |
| - | 76,922 | 6,942 | 5,881 | 98,088 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | 76,922 | 6,942 | 5,881 | 757,048 |
| - | - | - | 5,881 | 355,712 |
| - | 53,695 | 25,353 | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 292,988 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | 53,695 | 25,353 | 5,881 | 648,700 |
| - | 23,227 | (18,411) | - | 108,348 |
| - | - | 34,932 | - | 123,090 |
| - | - | - | - | (8,878) |
| - | - | 34,932 | - | 114,212 |
| - | 23,227 | 16,521 | - | 222,560 |
| 101,105 | - | - | - | (129,246) |
| 101,105 | 23,227 | 16,521 | - | 93,314 |

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

| | Jal CDBG Wastewater 433 | Magistrate Court Security 438 | Airport 454 | Hospital Records 456 | Property Valuation Fund 499 |
|--|-------------------------------|--|--------------------|----------------------------|--------------------------------------|
| Revenues | | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - | - |
| Payment in lieu of taxes | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - |
| Intergovernmental: | | | | | |
| Federal | - | - | 967,816 | - | - |
| State | - | - | 287,546 | - | - |
| Charges for services | - | - | 147,256 | - | 383,473 |
| Investment earnings | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>1,402,618</u> | <u>-</u> | <u>383,473</u> |
| Expenditures | | | | | |
| Current | | | | | |
| General government | - | - | 717,979 | - | 287,007 |
| Public safety | - | 28,719 | - | - | - |
| Culture and recreation | - | - | - | - | - |
| Health and welfare | - | - | - | - | - |
| Airports | - | - | - | - | - |
| Capital outlay | - | - | 2,287,922 | - | - |
| Debt service | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>28,719</u> | <u>3,005,901</u> | <u>-</u> | <u>287,007</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>-</u> | <u>(28,719)</u> | <u>(1,603,283)</u> | <u>-</u> | <u>96,466</u> |
| Other financing sources (uses): | | | | | |
| Transfers in | - | 15,000 | - | - | - |
| Transfers out | - | - | - | (10) | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>15,000</u> | <u>-</u> | <u>(10)</u> | <u>-</u> |
| Net changes in fund balances | - | (13,719) | (1,603,283) | (10) | 96,466 |
| Fund balances - beginning of year | <u>21,882</u> | <u>14,611</u> | <u>3,580,148</u> | <u>10</u> | <u>654,233</u> |
| Fund balances - end of year | <u>21,882</u> | <u>892</u> | <u>1,976,865</u> | <u>-</u> | <u>750,699</u> |

See Notes to Financial Statements

| LCEC Permanent Fund 502 | Stipulation Account 503 | EMS Knowles 604 | Enforcement Protection Grant 605 | High Intensity Drug Trafficking Areas Funds 609 | EMS Maljamar 613 |
|-------------------------------|-------------------------------|-----------------------|---|--|------------------------|
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 1,024,372 | - |
| - | - | 5,027 | 47,600 | - | - |
| - | - | - | - | - | - |
| - | 1,158 | - | - | 30 | - |
| - | - | - | - | 1,443 | - |
| - | 1,158 | 5,027 | 47,600 | 1,025,845 | - |
| - | - | - | - | - | - |
| - | - | 4,545 | 28,380 | 1,135,835 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 4,545 | 28,380 | 1,135,835 | - |
| - | 1,158 | 482 | 19,220 | (109,990) | - |
| - | - | - | - | 8,878 | - |
| (1,353,125) | (355,576) | - | - | - | - |
| (1,353,125) | (355,576) | - | - | 8,878 | - |
| (1,353,125) | (354,418) | 482 | 19,220 | (101,112) | - |
| 1,353,125 | 355,754 | 13,916 | 37,544 | 202,305 | 6,994 |
| - | 1,336 | 14,398 | 56,764 | 101,193 | 6,994 |

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

| | County Fire Marshall 618 | Fire Excise Tax 619 | EMS Monument 621 | Total Non-Major Special Revenue Funds | Debt Service Gross Receipts Debt Service 658 | Total Non-Major Funds |
|--|--------------------------------|---------------------------|------------------------|---|---|-----------------------------|
| Revenues | | | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | 1,483,954 | 4,293,509 | 5,777,463 |
| Payment in lieu of taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | 110,556 | - | 110,556 |
| Intergovernmental: | | | | | | |
| Federal | - | - | - | 2,667,118 | - | 2,667,118 |
| State | 49,309 | - | - | 1,822,596 | - | 1,822,596 |
| Charges for services | - | - | - | 3,414,091 | - | 3,414,091 |
| Investment earnings | - | 2,830 | - | 4,018 | 911 | 4,929 |
| Miscellaneous | - | - | - | 5,306 | - | 5,306 |
| Total revenues | 49,309 | 2,830 | - | 9,507,639 | 4,294,420 | 13,802,059 |
| Expenditures | | | | | | |
| Current | | | | | | |
| General government | - | - | - | 5,013,597 | - | 5,013,597 |
| Public safety | 77,373 | - | 440 | 9,849,089 | - | 9,849,089 |
| Culture and recreation | - | - | - | 18,906 | - | 18,906 |
| Health and welfare | - | - | - | - | - | - |
| Airports | - | - | - | - | - | - |
| Capital outlay | - | 610,773 | - | 3,199,217 | - | 3,199,217 |
| Debt service | | | | | | |
| Principal | - | - | - | - | 705,000 | 705,000 |
| Interest | - | - | - | - | 166,582 | 166,582 |
| Total expenditures | 77,373 | 610,773 | 440 | 18,080,809 | 871,582 | 18,952,391 |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(28,064)</u> | <u>(607,943)</u> | <u>(440)</u> | <u>(8,573,170)</u> | <u>3,422,838</u> | <u>(5,150,332)</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | 5,517,240 | - | 5,517,240 |
| Transfers out | - | - | - | (1,941,336) | (9,835,970) | (11,777,306) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,575,904</u> | <u>(9,835,970)</u> | <u>(6,260,066)</u> |
| Net changes in fund balances | (28,064) | (607,943) | (440) | (4,997,266) | (6,413,132) | (11,410,398) |
| Fund balances - beginning of year | <u>68,442</u> | <u>1,546,391</u> | <u>1,457</u> | <u>14,423,189</u> | <u>8,078,367</u> | <u>22,501,556</u> |
| Fund balances - end of year | <u>40,378</u> | <u>938,448</u> | <u>1,017</u> | <u>9,425,923</u> | <u>1,665,235</u> | <u>11,091,158</u> |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
FIRE FUNDS - SPECIAL REVENUE FUND (400)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|------------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | 147,000 | 178,525 | 265,451 | 86,926 |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | 86,000 | 86,000 | 1,500 | (84,500) |
| Total revenues | 233,000 | 264,525 | 266,951 | 2,426 |
| Expenditures | | | | |
| Current | | | | |
| General government | 333,530 | 425,423 | 356,580 | 68,843 |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | 49,138 | 7,534 | 41,604 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | 333,530 | 474,561 | 364,114 | 110,447 |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(100,530)</u> | <u>(210,036)</u> | <u>(97,163)</u> | <u>112,873</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 103,517 | 127,023 | 313,989 | 186,966 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | 103,517 | 127,023 | 313,989 | 186,966 |
| Increase in budgeted cash | (2,987) | 83,013 | | |
| Net changes in fund balances | \$ - | - | 216,826 | 216,826 |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | (17,378) | |
| Net Change in Fund Balances (GAAP Basis) | | | <u>\$ 199,448</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
FARM AND RANGE - SPECIAL REVENUE FUND (403)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|------------------|--------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | 10,000 | 10,000 | 15,970 | 5,970 |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>10,000</u> | <u>10,000</u> | <u>15,970</u> | <u>5,970</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 128,881 | 128,881 | 112,954 | 15,927 |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>128,881</u> | <u>128,881</u> | <u>112,954</u> | <u>15,927</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(118,881)</u> | <u>(118,881)</u> | <u>(96,984)</u> | <u>21,897</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 25,343 | 25,343 | 19,375 | (5,968) |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>25,343</u> | <u>25,343</u> | <u>19,375</u> | <u>(5,968)</u> |
| Prior year cash balance budgeted | 93,538 | 93,538 | | |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>(77,609)</u> | <u>(77,609)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>(77,609)</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
RECREATION- SPECIAL REVENUE FUND (404)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|-----------------|--------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | 31,642 | 31,642 | 18,151 | 13,491 |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>31,642</u> | <u>31,642</u> | <u>18,151</u> | <u>13,491</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(31,642)</u> | <u>(31,642)</u> | <u>(18,151)</u> | <u>13,491</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Prior year cash balance budgeted | 31,642 | 31,642 | | |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>(18,151)</u> | <u>(18,151)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | <u>(755)</u> | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>(18,906)</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
CLERK RECORDING & FILING - SPECIAL REVENUE FUND (405)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|---------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | 85,000 | 85,000 | 101,820 | 16,820 |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>85,000</u> | <u>85,000</u> | <u>101,820</u> | <u>16,820</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 66,100 | 66,100 | 33,558 | 32,542 |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | - | - | - | - |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>66,100</u> | <u>66,100</u> | <u>33,558</u> | <u>32,542</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>18,900</u> | <u>18,900</u> | <u>68,262</u> | <u>49,362</u> |
| Other financing sources (uses): | | | | |
| Transfers in | | - | - | - |
| Transfers out | | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Prior year cash balance budgeted | (18,900) | (18,900) | | |
| Net changes in fund balances | <u>\$ -</u> | <u>-</u> | <u>68,262</u> | <u>68,262</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | 8,736 | |
| Adjustments to expenditures | | | (46) | |
| Net Change in Fund Balances (GAAP Basis) | | | <u>\$ 76,952</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
CONVENIENCE CENTERS - SPECIAL REVENUE FUND (411)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|--------------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ 1,200,000 | 1,265,000 | 1,361,841 | 96,841 |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 1,200,000 | 1,265,000 | 1,361,841 | 96,841 |
| Expenditures | | | | |
| Current | | | | |
| General government | 2,141,835 | 2,796,835 | 1,864,278 | 932,557 |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | 2,141,835 | 2,796,835 | 1,864,278 | 932,557 |
| <i>Excess (deficiency) of revenues over expenditures</i> | <i>(941,835)</i> | <i>(1,531,835)</i> | <i>(502,437)</i> | <i>1,029,398</i> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Prior year cash balance budgeted | 941,835 | 1,531,835 | | |
| Net changes in fund balances | \$ - | - | (502,437) | (502,437) |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | 122,113 | |
| Adjustments to expenditures | | | (96,347) | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ (476,671) | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
DWI - SPECIAL REVENUE FUND (412)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|------------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | 821,201 | 904,441 | 736,798 | (167,643) |
| Charges for services | 60,100 | 209,589 | 306,116 | 96,527 |
| Investment earnings | - | - | - | - |
| Miscellaneous | 150,150 | 1,000 | 2,324 | 1,324 |
| <i>Total revenues</i> | <u>1,031,451</u> | <u>1,115,030</u> | <u>1,045,238</u> | <u>(69,792)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 1,093,497 | 1,231,665 | 944,047 | 287,618 |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>1,093,497</u> | <u>1,231,665</u> | <u>944,047</u> | <u>287,618</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(62,046)</u> | <u>(116,635)</u> | <u>101,191</u> | <u>217,826</u> |
| Other financing sources (uses): | | | | |
| Transfers in | | - | 1,976 | 1,976 |
| Transfers out | | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>1,976</u> | <u>1,976</u> |
| Prior year cash balance budgeted | 62,046 | 62,046 | | |
| Net changes in fund balances | \$ <u>-</u> | <u>(54,589)</u> | <u>103,167</u> | <u>157,756</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | 58,902 | |
| Adjustments to expenditures | | | <u>(36,425)</u> | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>125,644</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
HOUSE BILL 198 GRANT - SPECIAL REVENUE FUND (414)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|----------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | (9,044) | (9,044) |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>(9,044)</u> | <u>(9,044)</u> |
| Net changes in fund balances | <u>\$ -</u> | <u>-</u> | <u>(9,044)</u> | <u>(9,044)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | | |
| Adjustments to expenditures | | | | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>(9,044)</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
CORRECTION FEES - SPECIAL REVENUE FUND (415)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|-----------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | 145,000 | 145,000 | 137,613 | (7,387) |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 145,000 | 145,000 | 137,613 | (7,387) |
| Expenditures | | | | |
| Current | | | | |
| General government | 181,000 | 211,300 | 179,797 | 31,503 |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | 181,000 | 211,300 | 179,797 | 31,503 |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(36,000)</u> | <u>(66,300)</u> | <u>(42,184)</u> | <u>24,116</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Prior year cash balance budgeted | 36,000 | 66,300 | | |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>(42,184)</u> | <u>(42,184)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | 46,556 | |
| Adjustments to expenditures | | | <u>(5,608)</u> | |
| Net Change in Fund Balances (GAAP Basis) | | | <u>(1,236)</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
 LEA COUNTY
 PAVING DISTRICT - SPECIAL REVENUE FUND (416)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|----------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | 135,000 | 135,000 | - | (135,000) |
| Total revenues | <u>135,000</u> | <u>135,000</u> | <u>-</u> | <u>(135,000)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | 135,000 | 135,000 | - | 135,000 |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | <u>135,000</u> | <u>135,000</u> | <u>-</u> | <u>135,000</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net changes in fund balances | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | | <u>\$ -</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
PRCA STEER ROPING - SPECIAL REVENUE FUND (417)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|----------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | - | - | - | - |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | - | - | - | - |
| <i>Excess (deficiency) of revenues over expenditures</i> | - | - | - | - |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | (68,237) | (68,237) | - |
| <i>Total other financing sources (uses)</i> | - | (68,237) | (68,237) | - |
| Prior year cash balance budgeted | | 68,237 | | |
| Net changes in fund balances | \$ - | - | (68,237) | (68,237) |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ (68,237) | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
DETENTION FACILITY - SPECIAL REVENUE FUND (418)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|--------------------|--------------------|---------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | 2,205,000 | 2,320,300 | 2,368,964 | 48,664 |
| Investment earnings | - | - | - | - |
| Miscellaneous | 115,300 | - | - | - |
| Total revenues | 2,320,300 | 2,320,300 | 2,368,964 | 48,664 |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | 8,573,417 | 8,635,842 | 8,251,093 | 384,749 |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | 8,573,417 | 8,635,842 | 8,251,093 | 384,749 |
| <i>Excess (deficiency) of revenues over expenditures</i> | <i>(6,253,117)</i> | <i>(6,315,542)</i> | <i>(5,882,129)</i> | <i>433,413</i> |
| Other financing sources (uses): | | | | |
| Transfers in | 5,336,318 | 5,398,743 | 4,600,000 | (798,743) |
| Transfers out | - | - | 400,000 | 400,000 |
| Total other financing sources (uses) | 5,336,318 | 5,398,743 | 5,000,000 | (398,743) |
| Prior year cash balance budgeted | 916,799 | 916,799 | | |
| Net changes in fund balances | \$ - | - | (882,129) | (882,129) |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | 208,282 | |
| Adjustments to expenditures | | | (243,656) | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ (917,503) | |

See Notes to Financial Statements

STATE OF NEW MEXICO
 LEA COUNTY
 REVOLVING LOAN - SPECIAL REVENUE FUND (421)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|-------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | \$ <u>-</u> | <u>-</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
EMPG REIMBURSEMENT - SPECIAL REVENUE FUND (424)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|---------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | 49,175 | 49,175 | 76,922 | 27,747 |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>49,175</u> | <u>49,175</u> | <u>76,922</u> | <u>27,747</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | 49,175 | 49,175 | 47,195 | 1,980 |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>49,175</u> | <u>49,175</u> | <u>47,195</u> | <u>1,980</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>-</u> | <u>-</u> | <u>29,727</u> | <u>29,727</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net changes in fund balances | <u>\$ -</u> | <u>-</u> | <u>29,727</u> | <u>29,727</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | (6,500) | |
| Net Change in Fund Balances (GAAP Basis) | | | <u>\$ 23,227</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
YOUTH REPORT CENTER - SPECIAL REVENUE FUND (425)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|-----------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | 91,140 | 6,942 | (84,198) |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>91,140</u> | <u>6,942</u> | <u>(84,198)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | 25,353 | 126,072 | 21,259 | 104,813 |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>25,353</u> | <u>126,072</u> | <u>21,259</u> | <u>104,813</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(25,353)</u> | <u>(34,932)</u> | <u>(14,317)</u> | <u>20,615</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 34,932 | 34,932 | 34,932 | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>34,932</u> | <u>34,932</u> | <u>34,932</u> | <u>-</u> |
| Net changes in fund balances | <u>\$ 9,579</u> | <u>-</u> | <u>20,615</u> | <u>20,615</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | (4,094) | |
| Net Change in Fund Balances (GAAP Basis) | | | <u>\$ 16,521</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
TIRE RECYCLING - SPECIAL REVENUE FUND (426)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|----------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | | - | - | - |
| Licenses and permits | | - | - | - |
| Intergovernmental: | | | | |
| Federal | | - | - | - |
| State | 5,881 | 6,550 | 5,881 | (669) |
| Charges for services | | - | - | - |
| Investment earnings | | - | - | - |
| Miscellaneous | | - | - | - |
| <i>Total revenues</i> | <u>5,881</u> | <u>6,550</u> | <u>5,881</u> | <u>(669)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 8,187 | 8,187 | 5,881 | 2,306 |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>8,187</u> | <u>8,187</u> | <u>5,881</u> | <u>2,306</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(2,306)</u> | <u>(1,637)</u> | <u>-</u> | <u>1,637</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 1,637 | 1,637 | - | (1,637) |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>1,637</u> | <u>1,637</u> | <u>-</u> | <u>(1,637)</u> |
| Prior year cash balance budgeted | | | | |
| Net changes in fund balances | \$ <u>(669)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>-</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
OTHER GRANTS - SPECIAL REVENUE FUND (431)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|---------------------|------------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | 1,560,103 | 2,092,251 | 658,960 | (1,433,291) |
| State | 619,183 | 619,183 | 55,938 | (563,245) |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 2,179,286 | 2,711,434 | 714,898 | (1,996,536) |
| Expenditures | | | | |
| Current | | | | |
| General government | 2,329,272 | 2,253,622 | 319,436 | 1,934,186 |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | 292,988 | 512,108 | 292,988 | 219,120 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | 2,622,260 | 2,765,730 | 612,424 | 2,153,306 |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(442,974)</u> | <u>(54,296)</u> | <u>102,474</u> | <u>156,770</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 145,078 | 136,004 | 123,090 | (12,914) |
| Transfers out | - | - | (8,878) | (8,878) |
| Total other financing sources (uses) | 145,078 | 136,004 | 114,212 | (21,792) |
| Prior year cash balance budgeted | 4,908 | 13,982 | | |
| Net changes in fund balances | \$ (292,988) | 95,690 | 216,686 | 120,996 |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | 42,150 | |
| Adjustments to expenditures | | | (36,276) | |
| Net Change in Fund Balances (GAAP Basis) | | | <u>\$ 222,560</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
JAL CDBG WASTEWATER - SPECIAL REVENUE FUND (433)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|----------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | 1,000 | - | 1,000 |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>1,000</u> | <u>-</u> | <u>1,000</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>-</u> | <u>(1,000)</u> | <u>-</u> | <u>1,000</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Prior year cash balance budgeted | | | | |
| Net changes in fund balances | \$ <u>-</u> | <u>(1,000)</u> | <u>-</u> | <u>1,000</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>-</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
MAGISTRATE COURT SECURITY - SPECIAL REVENUE FUND (438)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|-----------------|--------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | 15,000 | - | (15,000) |
| Investment earnings | - | - | - | - |
| Miscellaneous | 15,000 | - | - | - |
| Total revenues | 15,000 | 15,000 | - | (15,000) |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | 30,000 | 30,000 | 28,719 | 1,281 |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | 30,000 | 30,000 | 28,719 | 1,281 |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(15,000)</u> | <u>(15,000)</u> | <u>(28,719)</u> | <u>(13,719)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 15,001 | 15,000 | 15,000 | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>15,001</u> | <u>15,000</u> | <u>15,000</u> | <u>-</u> |
| Budgeted Increase in cash balance | (1) | - | | |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>(13,719)</u> | <u>(13,719)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>(13,719)</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
LEA COUNTY AIRPORTS - SPECIAL REVENUE FUND (454)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|--------------------|--------------------|-----------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | - | - | - | - |
| Federal | 967,816 | 3,134,547 | 473,831 | (2,660,716) |
| State | 7,220,083 | 4,248,007 | 256,945 | (3,991,062) |
| Charges for services | 340,100 | 340,100 | 139,603 | (200,497) |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>8,527,999</u> | <u>7,722,654</u> | <u>870,379</u> | <u>(6,852,275)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 12,832,265 | 1,488,665 | 676,970 | 811,695 |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | 11,374,950 | 2,287,801 | 9,087,149 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>12,832,265</u> | <u>12,863,615</u> | <u>2,964,771</u> | <u>9,898,844</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(4,304,266)</u> | <u>(5,140,961)</u> | <u>(2,094,392)</u> | <u>3,046,569</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 1,520,184 | 1,520,184 | - | (1,520,184) |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>1,520,184</u> | <u>1,520,184</u> | <u>-</u> | <u>(1,520,184)</u> |
| Prior year cash balance budgeted | 3,751,898 | 3,620,777 | | |
| Net changes in fund balances | \$ <u>967,816</u> | <u>-</u> | <u>(2,094,392)</u> | <u>(2,094,392)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | 532,239 | |
| Adjustments to expenditures | | | <u>(41,130)</u> | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>(1,603,283)</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
HOSPITAL RECORDS - SPECIAL REVENUE FUND (456)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|----------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | - | - | - | - |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | (10) | (10) |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>(10)</u> | <u>(10)</u> |
| Prior year cash balance budgeted | - | - | | |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>(10)</u> | <u>(10)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>(10)</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
PROPERTY VALUATION - SPECIAL REVENUE FUND (499)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|------------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | 250,000 | 250,000 | 383,473 | 133,473 |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>250,000</u> | <u>250,000</u> | <u>383,473</u> | <u>133,473</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 547,745 | 547,745 | 280,775 | 266,970 |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>547,745</u> | <u>547,745</u> | <u>280,775</u> | <u>266,970</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(297,745)</u> | <u>(297,745)</u> | <u>102,698</u> | <u>400,443</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Prior year cash balance budgeted | 297,745 | 297,745 | | |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>102,698</u> | <u>102,698</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | <u>(6,232)</u> | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>96,466</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
LCEC PERMANENT FUND - SPECIAL REVENUE FUND (502)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|--------------------|--------------------|------------------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (1,443,125) | (1,443,125) | (1,353,125) | 90,000 |
| <i>Total other financing sources (uses)</i> | <u>(1,443,125)</u> | <u>(1,443,125)</u> | <u>(1,353,125)</u> | <u>90,000</u> |
| Prior year cash balance budgeted | 1,443,125 | 1,443,125 | | |
| Net changes in fund balances | \$ <u><u>-</u></u> | <u><u>-</u></u> | (1,353,125) | <u><u>(1,353,125)</u></u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | | |
| Adjustments to expenditures | | | | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u><u>(1,353,125)</u></u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
STIPULATION ACCOUNT- SPECIAL REVENUE FUND (503)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|-----------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | - | - | - | - |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | 1,158 | 1,158 |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | - | - | 1,158 | 1,158 |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | - | - | - | - |
| <i>Excess (deficiency) of revenues over expenditures</i> | - | - | 1,158 | 1,158 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (265,576) | (265,576) | (355,576) | (90,000) |
| <i>Total other financing sources (uses)</i> | (265,576) | (265,576) | (355,576) | (90,000) |
| Prior year cash balance budgeted | 265,576 | 265,576 | | |
| Net changes in fund balances | \$ - | - | (354,418) | (354,418) |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ (354,418) | |

See Notes to Financial Statements

STATE OF NEW MEXICO
 LEA COUNTY
 EMS KNOWLES - SPECIAL REVENUE FUND (604)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|--------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | 5,027 | 5,025 | 5,027 | 2 |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 5,027 | 5,025 | 5,027 | 2 |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | 4,545 | 5,025 | 4,545 | 480 |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | 4,545 | 5,025 | 4,545 | 480 |
| <i>Excess (deficiency) of revenues over expenditures</i> | 482 | - | 482 | 482 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net changes in fund balances | \$ 482 | - | 482 | 482 |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ 482 | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
LAW ENFORCEMENT GRANT - SPECIAL REVENUE FUND (605)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|-----------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | 47,600 | 47,600 | 47,600 | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>47,600</u> | <u>47,600</u> | <u>47,600</u> | <u>-</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | | - | - | - |
| Public safety | 85,144 | 85,144 | 28,380 | 56,764 |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>85,144</u> | <u>85,144</u> | <u>28,380</u> | <u>56,764</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(37,544)</u> | <u>(37,544)</u> | <u>19,220</u> | <u>56,764</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Prior year cash balance budgeted | 37,544 | 37,544 | | |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>19,220</u> | <u>19,220</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>19,220</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
HIGH INTENSITY DRUG TRAFFICKING AREAS - SPECIAL REVENUE FUND (609)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|------------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | 1,187,495 | 1,187,495 | 941,643 | (245,852) |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | 30 | 30 |
| Miscellaneous | 15,000 | 15,000 | 1,443 | (13,557) |
| Total revenues | 1,202,495 | 1,202,495 | 943,116 | (259,379) |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | 1,202,495 | 1,168,062 | 1,071,995 | 96,067 |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | 1,202,495 | 1,168,062 | 1,071,995 | 96,067 |
| <i>Excess (deficiency) of revenues over expenditures</i> | - | 34,433 | (128,879) | (163,312) |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 8,878 | 8,878 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | 8,878 | 8,878 |
| Prior year cash balance (increase) | 34,433 | 34,433 | | |
| Net changes in fund balances | \$ - | - | (120,001) | (120,001) |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | 82,729 | |
| Adjustments to expenditures | | | (63,840) | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ (101,112) | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
EMS MALIJAMAR - SPECIAL REVENUE FUND (613)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|---------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | - | - | - | - |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | - | 2,000 | - | 2,000 |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | - | 2,000 | - | 2,000 |
| <i>Excess (deficiency) of revenues over expenditures</i> | - | (2,000) | - | 2,000 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | - | - | - | - |
| Prior year cash balance budgeted | | 2,000 | | |
| Net changes in fund balances | \$ - | - | - | - |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ - | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
COUNTY FIRE MARSHALL - SPECIAL REVENUE FUND (618)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|-----------------|--------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | 49,000 | 49,000 | 49,309 | 309 |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>49,000</u> | <u>49,000</u> | <u>49,309</u> | <u>309</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | 89,500 | 89,500 | 76,600 | 12,900 |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>89,500</u> | <u>89,500</u> | <u>76,600</u> | <u>12,900</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(40,500)</u> | <u>(40,500)</u> | <u>(27,291)</u> | <u>13,209</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 40,500 | 40,500 | - | (40,500) |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>40,500</u> | <u>40,500</u> | <u>-</u> | <u>(40,500)</u> |
| Prior year cash balance budgeted | - | - | | |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>(27,291)</u> | <u>(27,291)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | <u>(773)</u> | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>(28,064)</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
FIRE EXCISE TAX - SPECIAL REVENUE FUND (619)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|------------------|---------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | 500 | 500 | 1,512 | 1,012 |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>500</u> | <u>500</u> | <u>1,512</u> | <u>1,012</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | 821,500 | 821,520 | 610,773 | 210,747 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>821,500</u> | <u>821,520</u> | <u>610,773</u> | <u>210,747</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(821,000)</u> | <u>(821,020)</u> | <u>(609,261)</u> | <u>211,759</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Prior year cash balance budgeted | 821,000 | 821,020 | | |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>(609,261)</u> | \$ <u>(609,261)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | 1,318 | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>(607,943)</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
EMS MONUMENT - SPECIAL REVENUE FUND (621)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|--------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ - | - | - | - |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | 5,000 | - | (5,000) |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>5,000</u> | <u>-</u> | <u>(5,000)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public safety | 440 | 5,000 | 440 | 4,560 |
| Culture and recreation | - | - | - | - |
| Health and welfare | - | - | - | - |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>440</u> | <u>5,000</u> | <u>440</u> | <u>4,560</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(440)</u> | <u>-</u> | <u>(440)</u> | <u>(440)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net changes in fund balances | \$ <u>(440)</u> | <u>-</u> | <u>(440)</u> | <u>(440)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>(440)</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
GROSS RECEIPTS DEBT SERVICE - DEBT SERVICE FUND (658)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|--------------------|--------------------|-----------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property, sales, and miscellaneous taxes | \$ 4,800,000 | 4,800,000 | 3,920,383 | (879,617) |
| Payment in lieu of taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | 911 | 911 |
| Miscellaneous | - | - | - | - |
| <i>Total revenues</i> | <u>4,800,000</u> | <u>4,800,000</u> | <u>3,921,294</u> | <u>(878,706)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 52 | 52 | - | 52 |
| Public safety | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Airports | - | - | - | - |
| Farm and range | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | 705,710 | 705,000 | 705,000 | - |
| Interest | <u>166,710</u> | <u>166,710</u> | <u>166,582</u> | <u>128</u> |
| <i>Total expenditures</i> | <u>872,472</u> | <u>871,762</u> | <u>871,582</u> | <u>180</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>3,927,528</u> | <u>3,928,238</u> | <u>3,049,712</u> | <u>(878,526)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | <u>(9,976,994)</u> | <u>(9,976,994)</u> | <u>(9,835,970)</u> | <u>141,024</u> |
| <i>Total other financing sources (uses)</i> | <u>(9,976,994)</u> | <u>(9,976,994)</u> | <u>(9,835,970)</u> | <u>141,024</u> |
| Prior year cash balance budgeted | 6,049,466 | 6,048,756 | | |
| Net changes in fund balances | \$ <u>-</u> | <u>-</u> | <u>(6,786,258)</u> | <u>(6,786,258)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Adjustments to revenues | | | 373,126 | |
| Adjustments to expenditures | | | <u>-</u> | |
| Net Change in Fund Balances (GAAP Basis) | | | \$ <u>(6,413,132)</u> | |

See Notes to Financial Statements

STATE OF NEW MEXICO
 LEA COUNTY
 WATER SERVICE AND SOLID WASTE (675) - ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|--------------------|--------------------|-------------------|--|
| | Original | Final | | |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 3,005,000 | 3,008,700 | - | (3,008,700) |
| Investment earnings | 1,500 | - | - | - |
| Miscellaneous | 2,200 | - | - | - |
| <i>Total operating revenues</i> | <u>3,008,700</u> | <u>3,008,700</u> | <u>-</u> | <u>(3,008,700)</u> |
| OPERATING EXPENSES | | | | |
| Operating expenses | 5,752,470 | 5,781,470 | 21,958 | 5,759,512 |
| <i>Total operating expenditures</i> | <u>5,752,470</u> | <u>5,781,470</u> | <u>21,958</u> | <u>5,759,512</u> |
| <i>Operating income (loss)</i> | <u>(2,743,770)</u> | <u>(2,772,770)</u> | <u>(21,958)</u> | <u>2,750,812</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Capital outlay | - | - | - | - |
| Total nonoperating revenues (expenses) | - | - | - | - |
| Income (loss) before transfers | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Prior year cash balance budgeted | 2,743,770 | 2,772,770 | | |
| Change in net position | \$ <u>-</u> | <u>-</u> | <u>(21,958)</u> | <u>(21,958)</u> |

See Notes to Financial Statements

FIDUCIARY FUNDS

STATE OF NEW MEXICO
LEA COUNTY
FIDUCIARY FUNDS DESCRIPTIONS
JUNE 30, 2016

FIDUCIARY FUNDS

Agency Funds – To account for the collection and payment of property taxes and special fees to other governmental agencies. Agency funds are purely custodial and do not involve measurement of results of operations.

STATE OF NEW MEXICO
 LEA COUNTY
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2016

| | <u>Balance</u> <u>July 1, 2015</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2016</u> |
|--------------------------------------|---------------------------------------|------------------|------------------|--|
| COUNTY CLERK'S OFFICE | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 51,520 | 489,748 | 505,903 | 35,365 |
| Total assets | <u>51,520</u> | <u>489,748</u> | <u>505,903</u> | <u>35,365</u> |
| LIABILITIES | | | | |
| Deposits held in trust for others | 51,520 | 489,748 | 505,903 | 35,365 |
| Total liabilities | <u>51,520</u> | <u>489,748</u> | <u>505,903</u> | <u>35,365</u> |
| COUNTY PROBATE JUDGE'S OFFICE | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | 480 | 4,620 | 4,710 | 390 |
| Total assets | <u>480</u> | <u>4,620</u> | <u>4,710</u> | <u>390</u> |
| LIABILITIES | | | | |
| Deposits held in trust for others | 480 | 4,620 | 4,710 | 390 |
| Total liabilities | <u>480</u> | <u>4,620</u> | <u>4,710</u> | <u>390</u> |
| DETENTION INMATE TRUST | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | 7,487 | 99,756 | 106,060 | 1,183 |
| Total assets | <u>7,487</u> | <u>99,756</u> | <u>106,060</u> | <u>1,183</u> |
| LIABILITIES | | | | |
| Deposits held in trust for others | 7,487 | 99,756 | 106,060 | 1,183 |
| Total liabilities | <u>7,487</u> | <u>99,756</u> | <u>106,060</u> | <u>1,183</u> |

STATE OF NEW MEXICO
 LEA COUNTY
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2016

| | Balance July 1, 2015 | Additions | Deletions | Balance June 30, 2016 |
|---|-------------------------|--------------------|--------------------|--------------------------|
| DETENTION BOND ACCOUNT | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | 25,126 | 684,668 | 688,352 | 21,442 |
| Total assets | <u>25,126</u> | <u>684,668</u> | <u>688,352</u> | <u>21,442</u> |
| LIABILITIES | | | | |
| Deposits held in trust for others | 25,126 | 684,668 | 688,352 | 21,442 |
| Total liabilities | <u>25,126</u> | <u>684,668</u> | <u>688,352</u> | <u>21,442</u> |
| COUNTY TREASURER'S OFFICE SUSPENSE FUND (478) | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | 9,880,841 | 3,370,934 | - | 13,251,775 |
| Total assets | <u>9,880,841</u> | <u>3,370,934</u> | <u>-</u> | <u>13,251,775</u> |
| LIABILITIES | | | | |
| Deposits held in trust for others | 9,880,841 | 3,370,934 | - | 13,251,775 |
| Total liabilities | <u>9,880,841</u> | <u>3,370,934</u> | <u>-</u> | <u>13,251,775</u> |
| LEA COUNTY WATER USERS ASSOCIATION (635) | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | 28,971 | - | 1,415 | 27,556 |
| Total assets | <u>28,971</u> | <u>-</u> | <u>1,415</u> | <u>27,556</u> |
| LIABILITIES | | | | |
| Deposits held in trust for others | 28,971 | - | 1,415 | 27,556 |
| Total liabilities | <u>28,971</u> | <u>-</u> | <u>1,415</u> | <u>27,556</u> |
| COUNTY TREASURER'S OFFICE (800 and Various School Funds) | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | 1,863,578 | 54,366,228 | 54,395,187 | 1,834,619 |
| Receivables - Property taxes | 1,757,687 | 48,449,244 | 48,591,197 | 1,615,734 |
| Receivables - Other | - | 275,832 | - | 275,832 |
| Total assets | <u>3,621,265</u> | <u>103,091,304</u> | <u>102,986,384</u> | <u>3,726,185</u> |
| LIABILITIES | | | | |
| Deposits held in trust for others | 1,863,578 | 54,366,228 | 54,395,187 | 1,834,619 |
| Future taxes collectible | 1,757,687 | 48,449,244 | 48,591,197 | 1,615,734 |
| Other liabilities | - | 275,832 | - | 275,832 |
| Total liabilities | <u>3,621,265</u> | <u>103,091,304</u> | <u>102,986,384</u> | <u>3,726,185</u> |

STATE OF NEW MEXICO
 LEA COUNTY
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2016

| | Balance July 1, 2015 | Additions | Deletions | Balance June 30, 2016 |
|---|-------------------------|--------------------|--------------------|--------------------------|
| LEA COUNTY COMMUNICATIONS AUTHORITY (808) | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | 39 | 4,357,254 | 4,348,124 | 9,169 |
| Total assets | <u>39</u> | <u>4,357,254</u> | <u>4,348,124</u> | <u>9,169</u> |
| LIABILITIES | | | | |
| Deposits held in trust for others | 39 | 4,357,254 | 4,348,124 | 9,169 |
| Total liabilities | <u>39</u> | <u>4,357,254</u> | <u>4,348,124</u> | <u>9,169</u> |
| EDDY-LEA ENERGY ALLIANCE (809) | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | 88,504 | 4,792 | 33,537 | 59,759 |
| Total assets | <u>88,504</u> | <u>4,792</u> | <u>33,537</u> | <u>59,759</u> |
| LIABILITIES | | | | |
| Deposits held in trust for others | 88,504 | 4,792 | 33,537 | 59,759 |
| Total liabilities | <u>88,504</u> | <u>4,792</u> | <u>33,537</u> | <u>59,759</u> |
| LEA COUNTY SOLID WASTE AUTHORITY (810 & 811) | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | 6,168,281 | 3,597,991 | 1,708,000 | 8,058,272 |
| Total assets | <u>6,168,281</u> | <u>3,597,991</u> | <u>1,708,000</u> | <u>8,058,272</u> |
| LIABILITIES | | | | |
| Deposits held in trust for others | 6,168,281 | 3,597,991 | 1,708,000 | 8,058,272 |
| Total liabilities | <u>6,168,281</u> | <u>3,597,991</u> | <u>1,708,000</u> | <u>8,058,272</u> |
| TOTAL AGENCY FUNDS | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | 18,114,827 | 66,975,991 | 61,791,288 | 23,299,529 |
| Receivables - Property taxes | 1,757,687 | 48,449,244 | 48,591,197 | 1,615,734 |
| Receivables - Other | - | 275,832 | - | 275,832 |
| Total assets | <u>19,872,514</u> | <u>115,701,067</u> | <u>110,382,485</u> | <u>25,191,095</u> |
| LIABILITIES | | | | |
| Deposits held in trust for others | 18,114,827 | 66,975,991 | 61,791,288 | 23,299,529 |
| Future taxes collectible | 1,757,687 | 48,449,244 | 48,591,197 | 1,615,734 |
| Other liabilities | - | 275,832 | - | 275,832 |
| Total liabilities | <u>19,872,514</u> | <u>115,701,067</u> | <u>110,382,485</u> | <u>25,191,095</u> |

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY FOR PUBLIC FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Lea County State Bank | First American Bank | Pioneer Bank | Wells Fargo Bank | Western Commerce Bank | Total |
|---|--------------------------|---------------------------|--------------|---------------------|-----------------------------|-------------|
| Deposits in Bank or Savings and Loan | | | | | | |
| Cash deposits | \$ 1,166,524 | - | - | 58,310,718 | 23,115 | 59,500,357 |
| Certificates of deposits | 11,363,180 | 9,177,205 | 2,000,063 | - | 5,855,418 | 28,395,866 |
| Total amounts on deposit | 12,529,704 | 9,177,205 | 2,000,063 | 58,310,718 | 5,878,533 | 87,896,223 |
| Less: FDIC insurance | (500,000) | (250,000) | (250,000) | (250,000) | (273,115) | (1,523,115) |
| Total uninsured public funds: | 12,029,704 | 8,927,205 | 1,750,063 | 58,060,718 | 5,605,418 | 86,373,108 |
| Total repurchase agreement: | - | - | - | 5,875,038 | - | 5,875,038 |
| Collateral requirement - 50% | 6,014,852 | 4,463,603 | 875,032 | 29,030,359 | 2,802,709 | 43,186,554 |
| Collateral requirement - 102% | - | - | - | 5,992,539 | - | 5,992,539 |
| Total required collateralization | \$ 6,014,852 | 4,463,603 | 875,032 | 35,022,898 | 2,802,709 | 49,179,093 |

| Pledged Collateral | | | | | | | | | |
|---|--------------|---------------|-------------|------------------|------------------|------------------|-------------------|------------------|-------------------|
| Type of security and security number | CUSIP Number | Maturity Date | | | | | | | |
| ★ CORRALES, NM 3.7% | 22025PAW9 | 8/1/2016 | \$ | 125,291 | | 125,291 | | | |
| ★ RUIDOSO, NM 4.0% | 781338GH5 | 8/1/2016 | | 601,956 | | 601,956 | | | |
| ★ GADSEN, NM 3.75% | 362550KP9 | 8/15/2016 | | 1,003,530 | | 1,003,530 | | | |
| ★ LOS LUNAS, SD 3.5% | 545562NE6 | 7/15/2017 | | 711,498 | | 711,498 | | | |
| ★ BELEN, SD 3.65% | 077581MN3 | 8/1/2018 | | 802,192 | | 802,192 | | | |
| ★ BERNALILLO, NM 4.0% | 085279NK1 | 8/1/2019 | | 724,647 | | 724,647 | | | |
| ★ BLOOMFIELD, NM 5.0% | 094077KP8 | 9/1/2020 | | 760,613 | | 760,613 | | | |
| ★ RUIDOSO, NM 4.125% | 781338HD3 | 8/1/2022 | | 622,992 | | 622,992 | | | |
| ★ LEA CNTY, NM PSD 3.25% | 521513AV3 | 6/15/2019 | | 765,655 | | 765,655 | | | |
| ★ MCKINLEY CNTY, NM 5.00% | 581615DM0 | 6/1/2026 | | 1,307,757 | | 1,307,757 | | | |
| ● LAS VEGAS NM CITY SCH D | 51778FCJ6 | 2/15/2017 | | 508,235 | | 508,235 | | | |
| ● CHAVES CNTY NM | 162634BMO | 8/1/2017 | | 494,424 | | 494,424 | | | |
| ● GALLUP MC KINLEY CO NM S | 36401 OPD4 | 8/1/2017 | | 310,401 | | 310,401 | | | |
| ● LEA CNTY NM SD 8 | 521513BS9 | 1/15/2018 | | 458,361 | | 458,361 | | | |
| ● ROOSEVELT CNTY NM | 776461AN5 | 6/1/2019 | | 355,856 | | 355,856 | | | |
| ● CLOVIS NM MUN SD NO 1 | 189414GM1 | 8/1/2019 | | 513,985 | | 513,985 | | | |
| ● LUNA CNTY N MEX SCH DIST | 550340DP5 | 8/1/2019 | | 1,002,830 | | 1,002,830 | | | |
| ● LOVINGTON NM SD 1 | 547473CK2 | 10/1/2019 | | 1,008,640 | | 1,008,640 | | | |
| ● HOBBS NM SCH DIST #16 | 433866EV8 | 7/15/2021 | | 687,128 | | 687,128 | | | |
| ● TEXICO NM MUN SCH DIST 01 | 883005CH1 | 8/1/2021 | | 176,229 | | 176,229 | | | |
| ● GNMA I 736974 | 3620AQXB4 | 2/15/2025 | | 225,151 | | 225,151 | | | |
| ● CLOVIS NM SD #1 | 189414JB2 | 8/1/2025 | | 933,885 | | 933,885 | | | |
| ● NM FIN AUTH REV | 64711NGRO | 6/1/2028 | | 562,320 | | 562,320 | | | |
| ● FHLB CALL AFTER 01/17/14 | 313381T88 | 1/17/2020 | | | 1,000,008 | 1,000,008 | | | |
| ● FHLMC #847032 | 3128HDY52 | 7/1/2032 | | 51,152 | | 51,152 | | | |
| ● FHLMC ARM 789868 | 31295N6D5 | 9/1/2032 | | 35,245 | | 35,245 | | | |
| ● FHLMC ARM 781721 | 31349S4E0 | 7/1/2034 | | 440,814 | | 440,814 | | | |
| ● FHLMC ARM POOL#781086 | 31349SF32 | 12/1/2033 | | 678,407 | | 678,407 | | | |
| ● FHLMC POOL782804 | 31349UDH8 | 11/1/2034 | | 121,545 | | 121,545 | | | |
| ● FHLMC ARM 782847 | 31349UEU8 | 11/1/2034 | | 143,469 | | 143,469 | | | |
| ● FHLMC ARM #782928 | 31349UHD3 | 1/1/2035 | | 60,916 | | 60,916 | | | |
| ● FNMA #AJ1622 | 3138ASYUO | 10/1/2025 | | 259,743 | | 259,743 | | | |
| ● FNMA #651556 ARM | 31390NZV7 | 7/1/2032 | | 138,176 | | 138,176 | | | |
| ● FNMA #759453 ARM | 31403VWN5 | 1/1/2034 | | 92,761 | | 92,761 | | | |
| ● FNMA #805152 ARM | 31406BQD5 | 1/1/2035 | | 59,967 | | 59,967 | | | |
| ● FNMA #845529 ARM | 31408ALJ7 | 12/1/2035 | | 115,980 | | 115,980 | | | |
| ● FNMA #920547 ARM | 31412BWWG3 | 9/1/2036 | | 138,111 | | 138,111 | | | |
| ▲ FNMS 3.500% | 31412RMKO | 12/1/1940 | | | 18,955,403 | 18,955,403 | | | |
| ▲ FNMS 3.000% | 3141BBVJ2 | 10/1/2035 | | | 44,346,388 | 44,346,388 | | | |
| ● FNMA #888407 | 31410GAG8 | 9/1/2036 | | | 190,878 | 190,878 | | | |
| ● FHLMC # G05256 | 3128M7E51 | 3/1/2039 | | | 207,670 | 207,670 | | | |
| ● FNMA #705683 | 31401D6U0 | 10/1/2033 | | | 49,680 | 49,680 | | | |
| ● FNMA #AC2952 | 31417MH63 | 9/1/2039 | | | 561,698 | 561,698 | | | |
| ● FNMA #AA7942 | 31416RZG1 | 9/1/2033 | | | 992,665 | 992,665 | | | |
| ● FNMA #MA0819 | 31417Y4D6 | 7/1/2041 | | | 178,964 | 178,964 | | | |
| ● FNMA #MA1515 | 31418AVH8 | 8/1/2043 | | | 1,640,667 | 1,640,667 | | | |
| Totals: | | | \$ | 7,426,131 | 7,237,445 | 3,336,294 | 63,301,791 | 3,822,222 | 85,123,883 |
| Total under (over) pledged: | (1,411,279) | (2,773,843) | (2,461,263) | (28,278,893) | (1,019,513) | (35,944,790) | | | |

Name and Location of Safe keeper: ● Federal Home Loan Bank Dallas, TX
★ The Independent Bankers Bank Dallas, TX
▲ BNY Mellon New York, NY

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2016

| Account Type | Account Name | Lea County State Bank | First American Bank | Pioneer Savings Bank | Wells Fargo | Western Commerce Bank | Moreton Capital Markets | Totals |
|----------------------------------|---|--------------------------|---------------------------|----------------------------|-------------------|-----------------------------|-------------------------------|-------------------|
| Cash and Cash Equivalents | | | | | | | | |
| Checking | Lea County Treasurer | \$ 858,551 | - | - | - | - | - | 858,551 |
| Checking | Lea County Clerk | 35,364 | - | - | - | - | - | 35,364 |
| Checking | Lea County Probate Clerk | 390 | - | - | - | - | - | 390 |
| Checking | Lea County Treasurer EFTPS | 271,037 | - | - | - | - | - | 271,037 |
| Checking | Lea County Detention Facility | 1,183 | - | - | - | - | - | 1,183 |
| CD | Lea County Treasurer | 2,003,472 | - | - | - | - | - | 2,003,472 |
| CD | Lea County Treasurer | 2,003,472 | - | - | - | - | - | 2,003,472 |
| CD | Lea County Treasurer | 1,003,741 | - | - | - | - | - | 1,003,741 |
| CD | Lea County Treasurer | 1,000,347 | - | - | - | - | - | 1,000,347 |
| CD | Lea County Treasurer | 1,003,336 | - | - | - | - | - | 1,003,336 |
| CD | Lea County Treasurer | 1,002,001 | - | - | - | - | - | 1,002,001 |
| CD | Lea County Treasurer | 1,001,493 | - | - | - | - | - | 1,001,493 |
| CD | Lea County Treasurer | 1,444,476 | - | - | - | - | - | 1,444,476 |
| CD | Lea County Treasurer | 900,841 | - | - | - | - | - | 900,841 |
| CD | Lea County Treasurer | - | 1,000,000 | - | - | - | - | 1,000,000 |
| CD | Lea County Treasurer | - | 1,000,000 | - | - | - | - | 1,000,000 |
| CD | Lea County Treasurer | - | 1,000,000 | - | - | - | - | 1,000,000 |
| CD | Lea County Treasurer | - | 1,000,000 | - | - | - | - | 1,000,000 |
| CD | Lea County Treasurer | - | 2,000,000 | - | - | - | - | 2,000,000 |
| CD | Lea County Treasurer | - | 1,177,205 | - | - | - | - | 1,177,205 |
| CD | Lea County Treasurer | - | 1,000,000 | - | - | - | - | 1,000,000 |
| CD | Lea County Treasurer | - | 1,000,000 | - | - | - | - | 1,000,000 |
| CD | Lea County Treasurer | - | - | 1,000,037 | - | - | - | 1,000,037 |
| CD | Lea County Treasurer | - | - | 1,000,026 | - | - | - | 1,000,026 |
| Checking | Detention Inmate Trust Account | - | - | - | 21,442 | - | - | 21,442 |
| Checking | Lea County Treasurer | - | - | - | 2,025,873 | - | - | 2,025,873 |
| Checking | Lea County - Debt Service Account | - | - | - | 1,292,109 | - | - | 1,292,109 |
| Savings | Lea County Treasurer | - | - | - | 54,992,736 | - | - | 54,992,736 |
| Checking | LCDTF - HIDTA Travel Fund | - | - | - | - | 45 | - | 45 |
| Checking | LCDTF - State Forfeiture Fund | - | - | - | - | 11,732 | - | 11,732 |
| Checking | LCDTF - Justice Forfeiture Fund | - | - | - | - | 9,953 | - | 9,953 |
| Checking | Region VI Drug Enforcement Counsel | - | - | - | - | 1,386 | - | 1,386 |
| CD | Lea County Treasurer | - | - | - | - | 1,002,570 | - | 1,002,570 |
| CD | Lea County Treasurer | - | - | - | - | 850,734 | - | 850,734 |
| CD | Lea County Treasurer | - | - | - | - | 2,000,000 | - | 2,000,000 |
| CD | Lea County Treasurer | - | - | - | - | 500,000 | - | 500,000 |
| CD | Lea County Treasurer | - | - | - | - | 1,001,318 | - | 1,001,318 |
| CD | Lea County Treasurer | - | - | - | - | 500,796 | - | 500,796 |
| CD | Lea County Treasurer | - | - | - | - | - | 250,503 | 250,503 |
| CD | Lea County Treasurer | - | - | - | - | - | 250,073 | 250,073 |
| CD | Lea County Treasurer | - | - | - | - | - | 250,000 | 250,000 |
| CD | Lea County Treasurer | - | - | - | - | - | 250,310 | 250,310 |
| CD | Lea County Treasurer | - | - | - | - | - | 250,000 | 250,000 |
| | Total on Deposit | \$ 12,529,704 | 9,177,205 | 2,000,063 | 58,332,160 | 5,878,534 | 1,250,886 | 89,168,552 |
| | Reconciling Items | 4,598 | - | - | 3,803,529 | (1,750) | - | 3,806,377 |
| | Total Reconciled Cash and Cash Equivalents | \$ 12,534,302 | 9,177,205 | 2,000,063 | 62,135,689 | 5,876,784 | 1,250,886 | 92,974,929 |
| | Petty Cash | | | | | | | 2,000 |
| | Total Cash June 30, 2016 | | | | | | | 92,976,929 |
| | Less: Agency Funds | | | | | | | (23,299,530) |
| | Combined Cash Balance Sheet Total June 30, 2016 | | | | | | | \$ 69,677,399 |

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2016

| Account Type | Account Name | Lea County State Bank | First American Bank | Pioneer Savings Bank | Wells Fargo | Western Commerce Bank | Moreton Capital Markets | Totals |
|--------------------|----------------------|--------------------------|---------------------------|----------------------------|----------------|-----------------------------|-------------------------------|-------------------|
| Investments | | | | | | | | |
| Treasury Strip | Lea County Treasurer | \$ 100,145 | - | - | - | - | - | 100,145 |
| CD | Lea County Treasurer | - | - | - | - | - | 1,000,060 | 1,000,060 |
| CD | Lea County Treasurer | - | - | - | - | - | 250,245 | 250,245 |
| FHLB3130A5UN7 | Lea County Treasurer | - | - | - | - | - | 1,000,180 | 1,000,180 |
| FHLB3130A5YN3 | Lea County Treasurer | - | - | - | - | - | 1,000,650 | 1,000,650 |
| CD | Lea County Treasurer | - | - | - | - | - | 251,118 | 251,118 |
| CD | Lea County Treasurer | - | - | - | - | - | 258,693 | 258,693 |
| FFCB3133EFJG3 | Lea County Treasurer | - | - | - | - | - | 1,000,030 | 1,000,030 |
| FHLB#3130A8HG1 | Lea County Treasurer | - | - | - | - | - | 1,250,400 | 1,250,400 |
| CD | Lea County Treasurer | - | - | - | - | - | 250,305 | 250,305 |
| CD | Lea County Treasurer | - | - | - | - | - | 250,443 | 250,443 |
| CD | Lea County Treasurer | - | - | - | - | - | 250,612 | 250,612 |
| CD | Lea County Treasurer | - | - | - | - | - | 250,712 | 250,712 |
| FFCB3133EGBG9 | Lea County Treasurer | - | - | - | - | - | 1,000,470 | 1,000,470 |
| FFCB3133EGBD6 | Lea County Treasurer | - | - | - | - | - | 1,000,250 | 1,000,250 |
| FHLB3130A7UW3 | Lea County Treasurer | - | - | - | - | - | 1,000,740 | 1,000,740 |
| CD | Lea County Treasurer | - | - | - | - | - | 250,190 | 250,190 |
| CD | Lea County Treasurer | - | - | - | - | - | 250,035 | 250,035 |
| | | \$ <u>100,145</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,515,133</u> | <u>10,615,278</u> |

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF VENDORS
June 30, 2016

| Agency Number | Agency Name | Agency Type | RFB#/RFP# (if applicable) | Type of Procurement | Vendor Name | Did Vendor Win Contract? | \$ Amount of Awarded Contract (Including Tax) | \$ Amount of Amended Contract | Physical address of vendor (City, State) | Did the Vendor provide documentation of eligibility for in-state preference? | Did the Vendor provide documentation of eligibility for veterans' preference? | Brief Description of the Scope of Work | If the procurement is attributable to a Component Unit, Name of Component Unit |
|---------------|------------------------|-------------|---------------------------|--------------------------|-------------------------------------|--------------------------|---|---|--|--|---|--|--|
| 5013 | Lea County, New Mexico | Counties | RFB 1 (15-16) | Competitive (RFP or RFB) | Ramirez & Sons | Winner | 456,682.15 + Tax | 481,799.67 + Tax | Hobbs, NM | Yes | No | Lovington Airport Apron Reconstruction | |
| 5013 | Lea County, New Mexico | Counties | RFB 1 (15-16) | Competitive (RFP or RFB) | Constructors Inc | Loser | N/A | | Carlsbad, NM | Yes | No | Lovington Airport Apron Reconstruction | |
| 5013 | Lea County, New Mexico | Counties | RFB 2 (15-16) | Competitive (RFP or RFB) | Bruckner Truck | Winner | \$71,112.00 | N/A | Hobbs, NM | Yes | No | 2 New 2015-17 End Dump Trailers | |
| 5013 | Lea County, New Mexico | Counties | RFB 2 (15-16) | Competitive (RFP or RFB) | Area Trailer Sales | Loser | N/A | | Odessa, TX | No | No | 2 New 2015-17 End Dump Trailers | |
| 5013 | Lea County, New Mexico | Counties | RFB 2 (15-16) | Competitive (RFP or RFB) | American Equipment | Loser | N/A | | Lubbock, TX | No | No | 2 New 2015-17 End Dump Trailers | |
| 5013 | Lea County, New Mexico | Counties | RFB 2 (15-16) | Competitive (RFP or RFB) | MCT Industries | Loser | N/A | | Albuquerque, NM | Yes | No | 2 New 2015-17 End Dump Trailers | |
| 5013 | Lea County, New Mexico | Counties | RFB 2 (15-16) | Competitive (RFP or RFB) | Lubbock Truck Sales | Loser | N/A | | Lubbock, TX | No | No | 2 New 2015-17 End Dump Trailers | |
| 5013 | Lea County, New Mexico | Counties | RFB 2 (15-16) | Competitive (RFP or RFB) | Watson Truck & Supply | Loser | N/A | | Hobbs, NM | No | No | 2 New 2015-17 End Dump Trailers | |
| 5013 | Lea County, New Mexico | Counties | RFB 2 (15-16) | Competitive (RFP or RFB) | Technology International Inc | Loser | N/A | | | | | 2 New 2015-17 End Dump Trailers | |
| 5013 | Lea County, New Mexico | Counties | RFB 3 (15-16) | Competitive (RFP or RFB) | Bruckner Truck | Winner | 250,328.90 | N/A | Hobbs, NM | Yes | No | 2 New 2015-17 Trucks | |
| 5013 | Lea County, New Mexico | Counties | RFB 3 (15-16) | Competitive (RFP or RFB) | Lubbock Truck | Loser | N/A | | Lubbock, TX | No | No | 2 New 2015-17 Trucks | |
| 5013 | Lea County, New Mexico | Counties | RFB 3 (15-16) | Competitive (RFP or RFB) | Watson Truck & Supply | Loser | N/A | | Hobbs, NM | Yes | No | 2 New 2015-17 Trucks | |
| 5013 | Lea County, New Mexico | Counties | RFB 3 (15-16) | Competitive (RFP or RFB) | Summit Truck Group | Loser | N/A | | Albuquerque, NM | Yes | No | 2 New 2015-17 Trucks | |
| 5013 | Lea County, New Mexico | Counties | RFB 4 (15-16) | Competitive (RFP or RFB) | Ramirez & Sons | Winner | 155,729.68 + Tax | N/A | Hobbs, NM | Yes | No | Lakeview & Maple Road Improvements | |
| 5013 | Lea County, New Mexico | Counties | RFB 4 (15-16) | Competitive (RFP or RFB) | Constructors Inc | Loser | N/A | | Carlsbad, NM | Yes | No | Lakeview & Maple Road Improvements | |
| 5013 | Lea County, New Mexico | Counties | RFB 5 (15-16) | Competitive (RFP or RFB) | Constructors Inc | Winner | 2,620,000.00 | = Estimated usage | Carlsbad, NM | Yes | No | Aggregate Serv Trmt | |
| 5013 | Lea County, New Mexico | Counties | RFB 5 (15-16) | Competitive (RFP or RFB) | Ramirez & Sons | Loser | N/A | | Hobbs, NM | Yes | No | Aggregate Serv Trmt | |
| 5013 | Lea County, New Mexico | Counties | RFB 5 (15-16) | Competitive (RFP or RFB) | J. Hamilton Construction Co. | Loser | N/A | | Silver City, NM | Yes | No | Aggregate Serv Trmt | |
| 5013 | Lea County, New Mexico | Counties | RFB 6 (15-16) | Competitive (RFP or RFB) | LCL Staffing, LLC | Winner | As needed | N/A | Hobbs, NM | No | No | Contract Labor | |
| 5013 | Lea County, New Mexico | Counties | RFB 6 (15-16) | Competitive (RFP or RFB) | JPR Group | Loser | N/A | | MountGilead, NC | No | No | Contract Labor | |
| 5013 | Lea County, New Mexico | Counties | RFB 6 (15-16) | Competitive (RFP or RFB) | Elwood Staffing | Loser | N/A | | Columbus, Indiana | No | No | Contract Labor | |
| 5013 | Lea County, New Mexico | Counties | RFB 7 (15-16) | Competitive (RFP or RFB) | Lasco Remodeling and Construction | Winner | 2,123,503.00 | Contract: 2,123.503 Less negotiated savings of 185,366 = 1,938,137 + Tax | Hobbs, NM | Yes | No | Airfield Rescue & Fire Fighting Building | |
| 5013 | Lea County, New Mexico | Counties | RFB 7 (15-16) | Competitive (RFP or RFB) | Mick Rich Contractors, Inc. | Loser | N/A | | Albuquerque, NM | Yes | No | Airfield Rescue & Fire Fighting Building | |
| 5013 | Lea County, New Mexico | Counties | RFP 1 (15-16) | Competitive (RFP or RFB) | Cornado Wrecking & Salvage Co. | Winner | 1,421,120.00 | CANCELLED due to low bid withdrawn + 2nd bid = over budget. Used local co. thru CES | Albuquerque, NM | Yes | No | Demo & Salvage/Disposal of Jail, Cone Bldg, and Site Amenities | |
| 5013 | Lea County, New Mexico | Counties | RFP 1 (15-16) | Competitive (RFP or RFB) | Cherry Company | Loser | N/A | | Houston, TX | No | No | Demo & Salvage/Disposal of Jail, Cone Bldg, and Site Amenities | |
| 5013 | Lea County, New Mexico | Counties | RFP 2 (15-16) | Competitive (RFP or RFB) | Securus Technologies | Winner | No Expense to Lea Co. | | Dallas, TX | No | No | Inmate Phone Equipment & Services | |
| 5013 | Lea County, New Mexico | Counties | RFP 2 (15-16) | Competitive (RFP or RFB) | IC Solutions | Loser | N/A | | San Antonio, TX | No | No | Inmate Phone Equipment & Services | |
| 5013 | Lea County, New Mexico | Counties | RFP 2 (15-16) | Competitive (RFP or RFB) | Pay-Tel | Loser | N/A | | Greensboro, NC | No | No | Inmate Phone Equipment & Services | |
| 5013 | Lea County, New Mexico | Counties | RFP 3 (15-16) | Competitive (RFP or RFB) | This project was not advertised | | | | | | | Pilot Services | |
| 5013 | Lea County, New Mexico | Counties | RFP 4 (15-16) | Competitive (RFP or RFB) | Wells Fargo | Winner | No Expense to Lea Co. | | Las Cruces, NM | Yes | No | Banking Services | |
| 5013 | Lea County, New Mexico | Counties | RFP 4 (15-16) | Competitive (RFP or RFB) | The James Polk Stone Community Bank | Loser | N/A | | Portales, NM | Yes | No | Banking Services | |

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF VENDORS
June 30, 2016

| Agency Number | Agency Name | Agency Type | RFB#/RFP# (if applicable) | Type of Procurement | Vendor Name | Did Vendor Win Contract? | \$ Amount of Awarded Contract (Including Tax) | \$ Amount of Amended Contract | Physical address of vendor (City, State) | Did the Vendor provide documentation of eligibility for in-state preference? | Did the Vendor provide documentation of eligibility for veterans' preference? | Brief Description of the Scope of Work | If the procurement is attributable to a Component Unit, Name of Component Unit |
|---------------|------------------------|-------------|---------------------------|--------------------------|--|--------------------------|---|-------------------------------|--|--|---|--|--|
| 5013 | Lea County, New Mexico | Counties | RFP 5 (15-16) | Competitive (RFP or RFB) | Community Drug Coalition | Winner | \$50,000.00 | | Hobbs, NM | Yes | No | Care of Sick & Indigent | |
| 5013 | Lea County, New Mexico | Counties | RFP 5 (15-16) | Competitive (RFP or RFB) | Faith In Action | Winner | \$10,000.00 | | Hobbs, NM | Yes | No | Care of Sick & Indigent | |
| 5013 | Lea County, New Mexico | Counties | RFP 5 (15-16) | Competitive (RFP or RFB) | Guidance Center | Winner | \$30,000.00 | | Hobbs, NM | Yes | No | Care of Sick & Indigent | |
| 5013 | Lea County, New Mexico | Counties | RFP 5 (15-16) | Competitive (RFP or RFB) | Opportunity House | Winner | \$50,000.00 | | Hobbs, NM | Yes | No | Care of Sick & Indigent | |
| 5013 | Lea County, New Mexico | Counties | RFP 5 (15-16) | Competitive (RFP or RFB) | Palmer Drug Abuse | Winner | \$35,000.00 | | Hobbs, NM | Yes | No | Care of Sick & Indigent | |
| 5013 | Lea County, New Mexico | Counties | RFP 5 (15-16) | Competitive (RFP or RFB) | Perinatal | Winner | \$105,656.00 | | Hobbs, NM | Yes | No | Care of Sick & Indigent | |
| 5013 | Lea County, New Mexico | Counties | RFP 5 (15-16) | Competitive (RFP or RFB) | CASA of Lea County | Loser | N/A | | Hobbs, NM | Yes | No | Care of Sick & Indigent | |
| 5013 | Lea County, New Mexico | Counties | RFP 5 (15-16) | Competitive (RFP or RFB) | Isaiah's Kitchen | Loser | N/A | | Hobbs, NM | Yes | No | Care of Sick & Indigent | |
| 5013 | Lea County, New Mexico | Counties | RFP 5 (15-16) | Competitive (RFP or RFB) | Manna Outreach | Loser | N/A | | Hobbs, NM | Yes | No | Care of Sick & Indigent | |
| 5013 | Lea County, New Mexico | Counties | RFP 5 (15-16) | Competitive (RFP or RFB) | Meals to You | Loser | N/A | | Hobbs, NM | Yes | No | Care of Sick & Indigent | |
| 5013 | Lea County, New Mexico | Counties | RFP 5 (15-16) | Competitive (RFP or RFB) | Option, Inc. | Loser | N/A | | Hobbs, NM | Yes | No | Care of Sick & Indigent | |
| 5013 | Lea County, New Mexico | Counties | RFP 5 (15-16) | Competitive (RFP or RFB) | Salvation Army | Loser | N/A | | Hobbs, NM | Yes | No | Care of Sick & Indigent | |
| 5013 | Lea County, New Mexico | Counties | RFP 6 (15-16) | Competitive (RFP or RFB) | EDC of Lea County | Winner | \$410,000.00 | | Hobbs, NM | Yes | No | Econ. Development Serv. | |
| 5013 | Lea County, New Mexico | Counties | RFP 6 (15-16) | Competitive (RFP or RFB) | ATLAS Adverstising | Loser | N/A | | Denver, CO | No | No | Econ. Development Serv. | |
| 5013 | Lea County, New Mexico | Counties | RFP 6 (15-16) | Competitive (RFP or RFB) | Economic Development Coproration of Lea County | Loser | N/A | | Hobbs, NM | Yes | No | Econ. Development Serv. | |

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

| | |
|--|---------------------|
| Property taxes receivable, beginning of year | \$ 1,757,688 |
| Changes to tax roll: | |
| Net tax charges to treasurer for tax year 2015 | 48,449,244 |
| Decrease in net tax charges 2006-2014 | (114,564) |
| Adjustments: | |
| Less roll-off of 2005 taxes on ten year schedule | (25,942) |
| Net increase/(decrease) of taxes receivable | (333,385) |
| Unknown increase in receivable | 8,560 |
| Total receivable prior to collections | <u>49,741,601</u> |
| Collections for fiscal year ended June 30, 2016 | <u>(48,125,867)</u> |
| Property taxes receivable at June 30, 2016 | <u>\$ 1,615,734</u> |
| Property taxes are reported as follows | |
| Governmental funds: | |
| County portion | 480,127 |
| Agency portion | 1,135,607 |
| Total property taxes receivable | <u>\$ 1,615,734</u> |
| Property taxes receivable by years: | |
| 2006-2014 | 410,884 |
| 2015 | 1,204,850 |
| | <u>\$ 1,615,734</u> |

See Notes to Financial Statements

STATE OF NEW MEXICO
 LEA COUNTY
 TREASURERS PROPERTY TAX SCHEDULE
 June 30, 2016

| | Property Taxes Levied | Collected In Current Year | Collected To-Date | Distributed In Current Year | Distributed To-Date | Current Amount Decreases | Current Amount Increases | Undistr. At Year End | County Receivable At Year-End |
|----------------------------------|-----------------------------|---------------------------------|----------------------|-----------------------------------|------------------------|--------------------------------|--------------------------------|----------------------------|-------------------------------------|
| LEA COUNTY: | | | | | | | | | |
| Operations | | | | | | | | | |
| 2006 - 2014 | \$ 96,526,741 | 439,223 | 96,392,443 | 603,411 | 96,341,908 | - | - | 50,534 | 134,299 |
| 2015 | 16,057,322 | 15,711,493 | 15,711,493 | 15,532,126 | 15,532,126 | - | - | 179,368 | 345,828 |
| Total | 112,584,063 | 16,150,716 | 112,103,936 | 16,135,537 | 111,874,034 | - | - | 229,902 | 480,127 |
| CITY OF LOVINGTON | | | | | | | | | |
| 2006 - 2014 | 2,718,942 | 19,301 | 2,711,524 | 31,222 | 2,709,710 | - | - | 1,815 | 7,417 |
| 2015 | 387,701 | 367,936 | 367,936 | 361,478 | 361,479 | - | - | 6,457 | 19,765 |
| Total | 3,106,643 | 387,237 | 3,079,460 | 392,700 | 3,071,189 | - | - | 8,272 | 27,182 |
| CITY OF EUNICE | | | | | | | | | |
| 2006 - 2014 | 1,158,962 | 6,829 | 1,153,893 | 9,405 | 1,153,412 | - | - | 481 | 5,070 |
| 2015 | 174,253 | 164,692 | 164,692 | 161,588 | 161,588 | - | - | 3,104 | 9,560 |
| Total | 1,333,215 | 171,521 | 1,318,585 | 170,993 | 1,315,000 | - | - | 3,585 | 14,630 |
| CITY OF HOBBS | | | | | | | | | |
| 2006 - 2014 | 16,618,375 | 74,065 | 16,590,640 | 117,587 | 16,586,906 | - | - | 3,735 | 27,735 |
| 2015 | 2,700,635 | 2,585,526 | 2,585,526 | 2,527,178 | 2,527,178 | - | - | 58,347 | 115,109 |
| Total | 19,319,010 | 2,659,591 | 19,176,166 | 2,644,765 | 19,114,084 | - | - | 62,082 | 142,844 |
| CITY OF JAL | | | | | | | | | |
| 2006 - 2014 | 861,450 | 5,924 | 859,540 | 8,056 | 859,215 | - | 2,382 | 325 | 1,909 |
| 2015 | 121,007 | 117,485 | 117,485 | 115,102 | 115,102 | - | - | 2,383 | 5,905 |
| Total | 982,457 | 123,409 | 977,025 | 123,158 | 974,317 | - | 2,382 | 2,708 | 7,814 |
| TOWN OF TATUM | | | | | | | | | |
| 2006 - 2014 | 177,713 | 1,214 | 176,765 | 2,072 | 176,247 | 501 | - | 18 | 948 |
| 2015 | 29,158 | 26,970 | 26,970 | 22,588 | 22,588 | - | - | 4,381 | 2,188 |
| Total | 206,871 | 28,184 | 203,735 | 24,660 | 198,835 | 501 | - | 4,399 | 3,136 |
| NEW MEXICO JUNIOR COLLEGE | | | | | | | | | |
| 2006 - 2014 | 46,964,914 | 215,518 | 46,898,568 | 296,771 | 46,874,069 | - | - | 24,499 | 66,346 |
| 2015 | 7,629,452 | 7,456,719 | 7,456,719 | 7,368,163 | 7,368,163 | - | - | 88,556 | 172,733 |
| Total | 54,594,366 | 7,672,237 | 54,355,287 | 7,664,934 | 54,242,232 | - | - | 113,055 | 239,079 |
| NOR LEA | | | | | | | | | |
| 2006 - 2014 | 8,473,258 | 42,608 | 8,460,038 | 79,498 | 8,498,746 | - | 40,552 | 1,845 | 13,220 |
| 2015 | 1,656,143 | 1,622,177 | 1,622,177 | 1,604,852 | 1,604,852 | - | - | 17,324 | 33,966 |
| Total | 10,129,401 | 1,664,785 | 10,082,215 | 1,684,350 | 10,103,598 | - | 40,552 | 19,169 | 47,186 |
| JAL HOSPITAL | | | | | | | | | |
| 2006 - 2014 | 2,761,263 | 80,520 | 2,760,411 | 71,849 | 2,750,025 | - | - | 10,386 | 852 |
| 2015 | 632,149 | 629,357 | 629,357 | 627,203 | 627,203 | - | - | 2,154 | 2,792 |
| Total | 3,393,412 | 709,877 | 3,389,768 | 699,052 | 3,377,228 | - | - | 12,540 | 3,644 |
| EUNICE HOSPITAL | | | | | | | | | |
| 2006 - 2014 | 1,894,384 | 3,213 | 1,892,792 | 4,465 | 1,892,563 | - | - | 230 | 1,592 |
| 2015 | 295,995 | 292,215 | 292,215 | 291,051 | 291,051 | - | - | 1,164 | 3,779 |
| Total | 2,190,379 | 295,428 | 2,185,007 | 295,516 | 2,183,614 | - | - | 1,394 | 5,371 |

STATE OF NEW MEXICO
 LEA COUNTY
 TREASURERS PROPERTY TAX SCHEDULE (CONTINUED)
 June 30, 2016

| | Property Taxes Levied | Collected In Current Year | Collected To-Date | Distributed In Current Year | Distributed To-Date | Current Amount Decreases | Current Amount Increases | Undistr. At Year End | County Receivable At Year-End |
|----------------------------|-----------------------------|---------------------------------|----------------------|-----------------------------------|------------------------|--------------------------------|--------------------------------|----------------------------|-------------------------------------|
| STATE OF NEW MEXICO | | | | | | | | | |
| 2006 - 2014 | 14,103,941 | 65,826 | 14,083,396 | 91,807 | 14,024,847 | 51,452 | - | 7,098 | 20,544 |
| 2015 | 2,376,730 | 2,317,804 | 2,317,804 | 2,287,556 | 2,287,556 | - | - | 30,248 | 58,926 |
| Total | 16,480,671 | 2,383,630 | 16,401,200 | 2,379,363 | 16,312,403 | 51,452 | - | 37,346 | 79,470 |
| LOVINGTON SCHOOL | | | | | | | | | |
| 2006 - 2014 | 12,967,611 | 84,168 | 12,943,404 | 145,503 | 12,939,782 | - | 80,427 | 3,623 | 24,207 |
| 2015 | 3,846,540 | 3,846,540 | 3,846,540 | 3,813,232 | 3,813,232 | - | - | 33,308 | 80,426 |
| Total | 16,814,151 | 3,930,708 | 16,789,944 | 3,958,735 | 16,753,014 | - | 80,427 | 36,931 | 104,633 |
| EUNICE SCHOOL | | | | | | | | | |
| 2006 - 2014 | 6,989,257 | 14,429 | 6,982,136 | 19,963 | 6,981,085 | - | - | 1,051 | 7,121 |
| 2015 | 1,167,517 | 1,153,647 | 1,153,647 | 1,149,364 | 1,149,364 | - | - | 4,283 | 13,870 |
| Total | 8,156,774 | 1,168,076 | 8,135,783 | 1,169,327 | 8,130,449 | - | - | 5,334 | 20,991 |
| HOBBS SCHOOLS | | | | | | | | | |
| 2006 - 2014 | 51,040,351 | 72,765 | 50,946,795 | 179,213 | 50,936,454 | 409,524 | - | 10,340 | 93,557 |
| 2015 | 9,518,585 | 8,790,798 | 8,790,798 | 8,635,686 | 8,635,686 | - | - | 155,112 | 318,263 |
| Total | 60,558,936 | 8,863,563 | 59,737,593 | 8,814,899 | 59,572,140 | 409,524 | - | 165,452 | 411,820 |
| JAL SCHOOLS | | | | | | | | | |
| 2006 - 2014 | 2,561,200 | 67,040 | 2,560,504 | 59,792 | 2,560,920 | - | 13,117 | 8,651 | 696 |
| 2015 | 1,081,131 | 1,080,254 | 1,080,254 | 1,076,509 | 1,076,509 | - | - | 3,745 | 4,927 |
| Total | 3,642,331 | 1,147,294 | 3,640,758 | 1,136,301 | 3,637,429 | - | 13,117 | 12,396 | 5,623 |
| TATUM SCHOOLS | | | | | | | | | |
| 2006 - 2014 | 1,968,659 | 3,391 | 1,967,037 | 15,316 | 1,961,055 | 5,716 | - | 55 | 1,622 |
| 2015 | 366,074 | 359,825 | 359,825 | 352,212 | 352,212 | - | - | 7,613 | 6,460 |
| Total | 2,334,733 | 363,216 | 2,326,862 | 367,528 | 2,313,267 | 5,716 | - | 7,668 | 8,082 |
| NONRENDERED | | | | | | | | | |
| 2006 - 2014 | 722,937 | 662 | 722,630 | 628 | 722,578 | - | 1,248 | 52 | 307 |
| 2015 | - | 1,216 | 1,216 | 1,196 | 1,196 | - | - | 20 | 32 |
| Total | 722,937 | 1,878 | 723,846 | 1,824 | 723,774 | - | 1,248 | 72 | 339 |
| 1% ASSESSOR | | | | | | | | | |
| 2006 - 2014 | 2,230,525 | 9,904 | 2,227,085 | 14,537 | 2,226,071 | 3,918 | - | 1,012 | 3,442 |
| 2015 | 408,852 | 394,613 | 394,613 | 389,472 | 389,472 | - | - | 5,141 | 10,321 |
| Total | 2,639,377 | 404,517 | 2,621,698 | 404,009 | 2,615,543 | 3,918 | - | 6,153 | 13,763 |
| TOTALS | | | | | | | | | |
| 2006 - 2014 | 270,740,483 | 1,206,600 | 270,329,601 | 1,751,095 | 270,195,593 | 471,111 | 137,726 | 125,750 | 410,884 |
| 2015 | 48,449,244 | 46,919,267 | 46,919,267 | 46,316,556 | 46,316,557 | - | - | 602,708 | 1,204,850 |
| GRAND TOTAL | \$ 319,189,727 | 48,125,867 | 317,248,868 | 48,067,651 | 316,512,150 | 471,111 | 137,726 | 728,458 | 1,615,734 |

Presumed paid after ten years per Section 7-38-81(C) NMSA 1978

**STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016**

| Federal Grantor or Pass-Through Grantor/Program Title | Pass-through Grant Number | Federal CFDA Number | Federal Expenditures |
|---|---------------------------------|---------------------------|-------------------------|
| Department of Homeland Security | | | |
| <i>Passed through the NM Department of Homeland Security</i> | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) (1) | EO 2014-2015 | 97.036 | \$ 1,718,167 |
| Emergency Management Performance Grants | | | |
| 2013 Emergency Management Performance Grant | N/A | 97.042 | 292,988 |
| Salary Reimbursement | N/A | 97.042 | 47,195 |
| Total Emergency Management Performance Grants | | | <u>340,183</u> |
| Homeland Security Grant Program | | | |
| 2015 State Homeland Security Grant Program | N/A | 97.067 | 195,001 |
| SHSGP 15 Travel/Per Diem | N/A | 97.067 | 373 |
| Total Homeland Security Grant Program Grants | | | <u>195,374</u> |
| Hazard Mitigation Grant | N/A | 97.039 | <u>16,790</u> |
| Total Department of Homeland Security | | | <u>2,270,514</u> |
| Executive Office of the President | | | |
| High Intensity Drug Trafficking Areas Programs | | | |
| High Intensity Drug Trafficking Areas Program - G14SN0017A | N/A | 95.001 | 101,870 |
| High Intensity Drug Trafficking Areas Program - G15SN0017A | N/A | 95.001 | 1,001,496 |
| Total Executive Office of the President | | | <u>1,103,366</u> |
| Department of Transportation | | | |
| Airport Improvement Programs | | | |
| Reconstruction of Apron - Zip Franklin (1) | N/A | 20.106 | 548,723 |
| Airport Development - Hobbs (1) | N/A | 20.106 | 199,314 |
| Hobbs Runway 12/30 Rehabilitation Design (1) | N/A | 20.106 | 66,124 |
| Drainage Master Plan (1) | N/A | 20.106 | 40,196 |
| Total Department of Transportation | | | <u>854,357</u> |
| Department of Interior | | | |
| <i>Passed through State of New Mexico</i> | | | |
| Rangeland Resource Management | 2015-2016 | 15.237 | <u>51,750</u> |
| Total Department of Interior | | | <u>51,750</u> |
| Department of Justice | | | |
| State Criminal Alien Assistance Program | N/A | 16.606 | <u>17,322</u> |
| Total Department of Justice | | | <u>17,322</u> |
| Total Federal Financial Assistance | | | <u>\$ 4,297,309</u> |

(1) Denotes major federal assistance program

**STATE OF NEW MEXICO
LEA COUNTY
NOTE TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2016**

NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the County under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, and cash flows of the County. Expenditures reported on the Schedule are reported on the accrual basis of accounting.

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

COMPLIANCE SECTION

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

Mr. Timothy Keller
New Mexico State Auditor
The Board of County Commissioners
Lea County
Lovington, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of Lea County (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 November 1, 2016.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies listed as 2016-002, 2016-003, and 2016-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 certain non-compliance matters that are listed on the schedule of findings and questioned costs as items 2016-001, and 2016-005.

Management's Responses to Findings

Management's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Management'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 results 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.



Albuquerque, New Mexico
November 1, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mr. Timothy Keller
New Mexico State Auditor
The Board of County Commissioners
Lea County
Lovington, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the Lea County (the "County") compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-006. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

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

The logo for Axiom, featuring the word "Axiom" in a blue, cursive script font.

Albuquerque, New Mexico
November 1, 2016

**STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

| | |
|--|-------------------|
| Type of Auditor’s report issued: | <u>Unmodified</u> |
| Internal control over financial reporting: Material Weakness reported? | No |
| Significant deficiencies reported not considered to be material weaknesses? | Yes |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|--|------------|
| Internal control over major programs: Material weaknesses reported? | No |
| Significant deficiencies reported not considered to be material weaknesses? | None |
| Type of auditor’s report issued on compliance for major programs | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | No |
| Identification of major programs: Airport Improvement Programs – CFDA #20.106 Disaster Grants – Public Assistance - CFDA #97.036 | |
| Dollar threshold used to distinguish Between type A and type B programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | Yes |

**STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016**

SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT

2016-001 –IT General Controls (Other Matters)

CONDITION: During our review of IT general controls significant to financial reporting we noted that network passwords are not set to expire. In effect, the users are not required to change their passwords. Additionally, the County does not enforce password complexity requirements.

CRITERIA: Per the State of New Mexico State Guideline “Enterprise IT Security Policy”, S-GUIDE-00.003, “the State of New Mexico shall securely and economically protect its business functions including public access to appropriate information and resources, while maintaining compliance with legal requirements established by existing Federal and State statutes pertaining to confidentiality privacy, accessibility, availability, and integrity”.

EFFECT: The deficiencies identified decrease overall network security, which makes the infrastructure vulnerable to attack and unauthorized data access or modification.

CAUSE: The County does not have a password policy in place.

RECOMMENDATION: We recommend that passwords be set to expire, normally between 90 to 120 days as County may deem appropriate. We also recommend the County enforce password complexity requirements, such as a minimum length, special characters, etc.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: Lea County’s Information Technology Administrator has required all users to reset their passwords. The users were required to include in their password an upper case letter along with a special character with a minimum of eight letters. The passwords will be required to be reset every ninety days automatically. This corrective action was implemented as of the date of this report.

**STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016**

2016-002 – Controls Surrounding Cash Disbursements (Significant Deficiency)

CONDITION: During our test of controls over cash disbursements we noted the following:

- Purchase orders are created subsequent to purchases being made.
- Two of out of 40 times, the purchase order was not signed. This occurred prior to the implementation of the check register review process.
- Two of out of 40 times, a purchase order was not created. This occurred prior to the implementation of the check register review process.
- One of the invoices reviewed did not contain the department’s signature. This signature indicates that all of the goods/services were received and the invoice was approved for payment.
- Check registers were not available for review for three invoice payments.
- One of the check registers reviewed was approved by the employee who is also in charge or preparing the disbursements.

CRITERIA: 6-6-2.J NMAC 1978 states that expenditures must be monitored to ensure expenditures are made within budgetary constraints and to ensure expenditures are legal.

The Committee of Sponsoring Organization of the Treadway Commission (COSO) define internal control as a process, effected by an entity’s board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives related to operations, reporting, and compliance.

EFFECT: Purchases could be made in excess of the budget or unpermitted purchases could be made.

CAUSE: The County has not sufficiently designed internal controls over the cash disbursements process and there was a breakdown in the controls.

RECOMMENDATION: We recommend the County require all purchase order to be approved prior to purchases being made. Additionally, the County should monitor internal controls to ensure they are working properly.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: Lea County plans on implementing a new requisition module in January 2017. This requisition module will require each department to encumber the funds, before a purchase can be made. The requisition must be approved by the department head. Any requisition over \$10,000 will require the department heads signature as well as the Finance Director before the requisition can be approved. All requisitions over \$50,000 will require the department heads signature, Finance Director and the County Managers signatures before the purchase can be made.

**STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016**

2016-003 – Controls Surrounding Payroll Disbursements (Significant Deficiency)

CONDITION: During our test of controls over payroll disbursements we noted the following:

- One out of 40 times, we noted an employee's overtime rate was incorrectly input into the system. This result in the employee being under paid by \$23.49.
- One out of 18 payroll registers reviewed did not contain the County Manager's signature. The County Manager's signature indicates that the payroll has been approved for processing.

CRITERIA: The Committee of Sponsoring Organization of the Treadway Commission (COSO) define internal control as a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives related to operations, reporting, and compliance.

EFFECT: Errors could go unnoticed and could result in a material misstatement.

CAUSE: The employee's overtime is manually entered into the system each pay period and it not reviewed for accuracy. The County Manager was on vacation when payroll was processed and therefore, his signature was not obtained.

RECOMMENDATION: We recommend the County assign an individual with the responsibility of reviewing manually entered overtime rates for accuracy. We also recommend, the County Manager, designate a second individual who can approve payroll.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: In April of 2016, Lea County implemented a dual entry system in which Human Resources keys all salary and benefits changes from our signed Change of Status form. Once Human Resources has completed the necessary changes Payroll then double checks the changes made against the Change of Status form. If any discrepancies are noted, effective immediately the County Manager has designated the Finance Director to approve payroll when the County Manger is not available to sign payroll register.

**STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016**

2016-004 –Manual Journal Entry Review and Approval (Significant Deficiency)

CONDITION: Through of test of manual journal entries, we noted that the Treasurer’s Department does not have a consistent and documented review and approval process. Eight out of the 10 manual journal entries reviewed, did not contain an approval signature from someone other than the preparer.

CRITERIA: AU Section 341, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*, states that an auditor should evaluate segregation of duties in that the entity has assigned different people the responsibilities of authorizing transactions and recording transactions.

EFFECT: The County is at a higher risk for a material misstatement or fraudulent activity.

CAUSE: The Treasury Department has not implemented a review and approval process for manual journal entries.

RECOMMENDATION: *We recommend that the County implement a process whereby all manual journal entries have secondary approval / review prior to posting to the general ledger.*

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: Per Lea County Treasurer’s email dated 10/31/16, The Lea County Treasurer or Chief Deputy Treasurer will review and authorize daily journal entries.

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD
PROGRAMS AUDIT

2016-006 - Reporting (Other Matters)

Federal Program Information:

Funding Agency: Federal Aviation Administration
Title: Airport Improvement Grants
CFDA #: 20.106
Award Year: 2015 & 2016

CONDITION: Through our testing of reporting, it was identified that the County did not submit three of the required reports under this grant.

QUESTIONED COSTS: None

CRITERIA: Per Uniform Guidance 4-20.106-1.L., the County is required to submit the following forms: 1) SF-425, *Federal Financial Report*, 2) FAA Form 5100-127, *Operating and Financial Summary (OMB No. 2120-0569)*, and 3) FAA Form 5100-126, *Financial Government Payment Report (OMB No. 212-0569)*.

EFFECT: The County is not compliance with the grant's reporting requirements.

CAUSE: The County was unaware of the reporting requirements.

RECOMMENDATION: We recommend the County start submitting the required reports.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: Lea County is in the process of rectifying the reporting matters noted in this finding. For the first quarter ending September 30, 2016, Lea County submitted to the Federal Aviation Administration the SF-425 Federal Financial report on October 28, 2016. We will submit the SF-425 for FY 15/16 in the next month. The Director of Public works is in the process of completing FAA Form 5100-126 and submitting it to the Federal Aviation Administration.

**STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016**

**SECTION IV – Other Findings, AS REQUIRED BY NEW MEXICO STATE STATUTE,
SECTION 12-6-5, NMSA 1978**

2016-005 – Non-compliance with Travel and Per Diem (Other Matters)

CONDITION: Through our travel and per diem testwork, we noted that County is using the maximum reimbursement rate for in state travel as a per diem for meals. The County does not require employees to turn in receipts for the meals. In addition to the per diem for meals, the County is paying actual expenses for hotel costs. Of the ten transactions tested, we noted that a total of \$420 was paid out incorrectly as per diem for meals.

CRITERIA: Per NMAC 2.42.2.8, employees/public officials can receive a flat per diem rate for both lodging. If this election is taken, actual expenses cannot be paid. Per NMAC 2.42.2.9, if actual expenses are paid, an employee/public official reimbursement for meals cannot exceed \$30 per day for instate travel and \$45 per day for out of state travel. Receipts must be turned to receive reimbursement for meals.

EFFECT: The County is not in compliance with NMAC 2.42.2.

CAUSE: The County was not aware of the per diem requirements.

RECOMMENDATION: We recommend the County ensure employees are adequately trained on NMAC 2.42.2.8.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: On September 16, 2016 Lea County passed resolution 16-SEP-188R regarding the new policies and procedures for travel and per diem. The resolution was submitted by the Finance Director.

In item number 11, subsection number (5) states “A request for reimbursement for a trip may not mix standard per diem and actual expenses. If reimbursement for actual expenses is requested for any part of a trip, then actual expenses will be reimbursed for the entire trip within the limits set out in these policies”. Department heads have been briefed on the new travel and per diem policy. Before any new travel and per diem is paid the finance department will review for accuracy and adherence to the new travel and per diem policy passed by the county commission.

**STATE OF NEW MEXICO
LEA COUNTY
STATUS OF PRIOR YEAR FINDINGS
Year Ended June 30, 2016**

STATUS OF PRIOR YEAR FINDINGS

| | Description | Status |
|----------|---|---------------|
| 2014-001 | Old Outstanding Check | Resolved |
| 2015-001 | Misuse of Public Funds | Resolved |
| 2015-002 | Incomplete Schedule of Federal Expenditures | Resolved |

**STATE OF NEW MEXICO
LEA COUNTY
EXIT CONFERENCE
JUNE 30, 2016**

EXIT CONFERENCE

An exit conference was conducted on November 1, 2016, with the following individuals:

Lea County

Ron Black, County Commissioner
Michael Gallagher, County Manager
Tai Etcheverry, CPA, Senior Accountant

Axiom Certified Public Accountants and Business Advisors, LLC

Mark Santiago, CPA

Auditor Prepared Financial Statements

Axiom Certified Public Accountants and Business Advisors, LLC prepared the GAAP-basis financial statements, related footnotes and supporting schedules from the original books and records provided to them by the management of the County. 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, and the County accepts responsibility for the financial statements.