



State of
New Mexico
Lincoln County

Annual Financial Report
For the Year Ended June 30, 2016



(This page intentionally left blank.)

INTRODUCTORY SECTION

Lincoln County
Table of Contents
June 30, 2016

INTRODUCTORY SECTION	<u>Exhibit</u>	<u>Page</u>
Table of Contents		4-5
Official Roster		7
 FINANCIAL SECTION		
Independent Auditors' Report		10-12
Management's Discussion and Analysis		13-20
 BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements:		
Statement of Net Position	A-1	22-23
Statement of Activities	A-2	25
Fund Financial Statements:		
Balance Sheet - Governmental Funds	B-1	26-27
Reconciliation of the Balance Sheet to the Statement of Net Position	B-1	29
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	30-31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	B-2	33
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual:		
General Fund	C-1	34
Road Special Revenue Fund	C-2	35
Corrections Special Revenue Fund	C-3	36
Lincoln County Medical Center Special Revenue Fund	C-4	37
Lincoln County Medical Center Lease Fund Special Revenue Fund	C-5	38
Disaster Relief Special Revenue Fund	C-6	39
Statement of Fiduciary Assets and Liabilities - Agency Funds	D-1	40
 NOTES TO THE FINANCIAL STATEMENTS		 41-72
 REQUIRED SUPPLEMENTARY INFORMATION		
	<u>Schedule</u>	
Schedule of County's Proportionate Share of the Net Pension Liability	I	74-75
Schedule of County's Contributions - Public Employees Retirement Association (PERA) Plan	II	76-77
Notes to Required Supplementary Information		78
 SUPPLEMENTARY INFORMATION		
	<u>Statement</u>	
Nonmajor Fund Descriptions		82-85
Combining and Individual Fund Statements:		
Combining Balance Sheet - Nonmajor Governmental Funds	A-1	86-93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	A-2	94-101
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual:		
Special Programs Special Revenue Fund	B-1	102
Clerk's Equipment Special Revenue Fund	B-2	103
Cell Tower Special Revenue Fund	B-3	104
Agreements Special Revenue Fund	B-4	105
Gas Tax Special Revenue Fund	B-5	106
Predatory Animal Control Special Revenue Fund	B-6	107

SUPPLEMENTARY INFORMATION (continued)	<u>Statement</u>	<u>Page</u>
Combining and Individual Fund Statements (continued):		
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual (continued):		
Fire Special Revenue Fund	B-7	108
Forest Reserve Special Revenue Fund	B-8	109
Lodgers' Tax Special Revenue Fund	B-9	110
Drug Enforcement Grant Special Revenue Fund	B-10	111
Homeland Security Grant Special Revenue Fund	B-11	112
Sheriff's Seizure Special Revenue Fund	B-12	113
Reappraisal Special Revenue Fund	B-13	114
Emergency Medical Services Special Revenue Fund	B-14	115
Rural Health Clinic Special Revenue Fund	B-15	116
Law Enforcement Protection Special Revenue Fund	B-16	117
Senior Citizen's Special Revenue Fund	B-17	118
Environmental Gross Receipts Special Revenue Fund	B-18	119
Enhanced 911 Special Revenue Fund	B-19	120
Forest Health Special Revenue Fund	B-20	121
Misdemeanor Compliance Special Revenue Fund	B-21	122
Indigent Health Care Special Revenue Fund	B-22	123
Juvenile Justice Grant Special Revenue Fund	B-23	124
HIDTA Partnership Special Revenue Fund	B-24	125
1st 1/8 GRT Reserve Debt Service Fund	B-25	126
1st 1/8 GRT Income Debt Service Fund	B-26	127
1st 1/8 GRT Debt Reserve Debt Service Fund	B-27	128
Deer Park Special Assessment Income Debt Service Fund	B-28	129
Capital Improvement Capital Projects Fund	B-29	130
Legislative Appropriation Capital Projects Fund	B-30	131
CDBG Grant Capital Projects Fund	B-31	132
 SUPPORTING SCHEDULES		
	<u>Schedule</u>	
Schedule of Collateral Pledged by Depository for Public Funds	III	134-137
Schedule of Deposit and Investment Accounts	IV	138-139
Reconciliation of Property Tax Rolls	V	140-141
County Treasurer's Property Tax Schedule	VI	142-175
Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds	VII	177
Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)	VIII	178-179
 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>		182-183
 FEDERAL FINANCIAL ASSISTANCE		
Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance		186-187
Schedule of Expenditures of Federal Awards	IX	188-190
Schedule of Findings and Questioned Costs	X	191-197
 OTHER DISCLOSURES		199

(This page intentionally left blank.)

STATE OF NEW MEXICO

Lincoln County

Official Roster

June 30, 2016

Name

Elected Officials

Title

Preston Stone

County Commissioner – Chairman

Dallas Draper

County Commissioner – Vice Chairman

Lynn Willard

County Commissioner

Tom Stewart

County Commissioner

Elaine Allen

County Commissioner

Rhonda Burrows

County Clerk

Beverly Calaway

County Treasurer

Paul Baca

County Assessor

Robert Shepperd

County Sheriff

Stirling Spencer

County Probate Judge

Administrative Officials

Nita Taylor

County Manager

Charlene “Punkin” Schlarb

Finance Director

Billie-Jo Guevara

Human Resources

Rachel Monrreal

Finance Officer

Orlando Samora

Purchasing Agent

Sherrie Huddleston

County Deputy Treasurer

(This page intentionally left blank.)

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The U.S. Office of Management and Budget and
The Lincoln County Commissioners
Lincoln County
Carrizozo, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the General Fund and major special revenue funds of Lincoln 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 funds and the budgetary comparisons for the nonmajor funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, each major fund, and the aggregate remaining fund information of Lincoln County, as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County, as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 13 through 20, and Schedules I, II, and the Notes to the Required Supplementary Information on pages 74 through 78, 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 financial statements that collectively comprise the County's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The introductory section, the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Supporting Schedules III through VIII required by 2.2.2 NMAC are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

Supporting Schedules III through VII required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, Supporting Schedules III through VII required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

RPC CPAs + Consultants LLP

RPC CPAs + Consultants, LLP
Albuquerque, New Mexico
October 24, 2016

STATE OF NEW MEXICO
Lincoln County
Management's Discussion and Analysis
June 30, 2016

As management of Lincoln County (the County), we offer readers of Lincoln County financial statements this narrative overview and analysis of the financial activities of Lincoln County for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the financial statements of Lincoln County and additional information provided.

Financial Highlights

- The assets and deferred outflows of Lincoln County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$50,606,404 (*net position*). Of this amount, \$4,028,275 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- Change in net position for the year was \$3,516,794. The increase is primarily due to an increase in revenues, especially grant revenue and charges for services which includes collections for solid waste.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,124,722 or 106 percent of total general fund expenditures.
- Deferred outflows of resources of \$916,064, deferred inflows of resources of \$214,246, and a net pension liability of \$6,336,281 related to a pension plan are reported in the Statement of Net Position at June 30, 2016. These items are the County's proportionate share of the Public Employees Retirement Association, a multiple employer cost sharing defined benefit pension plan.

Overview of the Financial Statements

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

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

The *Statement of Net Position* presents information on all of Lincoln County's assets and liabilities and deferred inflows and outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Lincoln County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Lincoln County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs. The governmental activities of Lincoln County include general government, public safety, public works, culture and recreation, and health and welfare.

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

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

STATE OF NEW MEXICO
Lincoln County
Management's Discussion and Analysis
June 30, 2016

Overview of the Financial Statements (continued)

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

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

Lincoln County maintains thirty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road Special Revenue Fund, the Corrections Special Revenue Fund, the Lincoln County Medical Center Special Revenue Fund, the Lincoln County Medical Center Lease Fund Special Revenue Fund, and the Disaster Relief Special Revenue Fund, all of which are considered to be major funds. Data from the other thirty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Lincoln County adopts an annual appropriated budget for its General Fund and all other funds. A budgetary comparison statement has been provided for the General Fund, the Road Special Revenue Fund, the Corrections Special Revenue Fund, the Lincoln County Medical Center Special Revenue Fund, the Lincoln County Medical Center Lease Fund Special Revenue Fund,, and the Disaster Relief Special Revenue Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental funds include budgetary comparison data.

The basic governmental fund financial statements can be found at Exhibits B-1 and B-2 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Lincoln County's own programs.

Lincoln County fiduciary funds account for the collection of property taxes and special fees and their remittance to other governmental agencies.

The basic fiduciary fund financial statement can be found at Exhibit D-1 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-72 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 86-132 of this report.

STATE OF NEW MEXICO
Lincoln County
Management's Discussion and Analysis
June 30, 2016

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Lincoln County, assets and deferred outflows exceeded liabilities and deferred inflows by \$50,606,404 and \$47,089,610 at the close of the fiscal years ended June 30, 2016 and June 30, 2015, respectively. The County's liabilities and deferred inflows increased by \$3,116,980, in large part due to the net pension liability.

A large portion of the County's net position (67 percent) reflects its investment in capital assets (e.g., land, buildings, other improvements, infrastructure and furniture and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion (\$12,461,850) of Lincoln County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$4,028,275) may be used to meet the government's ongoing obligations to citizens and creditors.

Lincoln County is able to report positive balances in all three categories (Net investment in capital assets, Restricted, and Unrestricted) of net position, for the government as a whole as of June 30, 2016.

Lincoln County's Net Position
June 30, 2016

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 26,446,681	\$ 19,521,839
Capital assets	38,742,516	39,479,045
Deferred outflows of resources	916,064	470,603
	<hr/>	<hr/>
Total assets and deferred outflows of resources	\$ 66,105,261	\$ 59,471,487
	<hr/>	<hr/>
Current Liabilities	\$ 4,695,378	\$ 1,471,452
Non-current liabilities	10,589,233	9,113,866
Deferred inflows of resources	214,246	1,796,559
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	15,498,857	12,381,877
	<hr/>	<hr/>
Net position:		
Net investment in capital assets	34,116,279	34,595,004
Restricted for:		
Debt service	1,620,601	1,677,096
Capital projects	433,374	346,533
Other purposes - special revenue	10,407,875	7,336,592
Unrestricted	4,028,275	3,134,385
	<hr/>	<hr/>
Total net position	50,606,404	47,089,610
	<hr/>	<hr/>
Total liabilities, deferred inflows of resources, and net position	\$ 66,105,261	\$ 59,471,487
	<hr/>	<hr/>

STATE OF NEW MEXICO
Lincoln County
Management's Discussion and Analysis
June 30, 2016

Changes in Net Position

The County's total revenues of \$25,997,205 and program expenses of \$22,480,411 resulted in a change in net position of \$3,516,794. The County had an increase in tax revenue and an increase in program expenses from the prior year. The County also maintained a favorable budget to actual expenditure variances.

This section contains a condensed comparison of revenues and expenditures and explanations for significant differences. The table shows the summarized revenues and expenditures for the years ended June 30, 2016 and June 30, 2015.

Lincoln County's Change in Net Position
June 30, 2016

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Program revenues:		
Charges for service	\$ 3,663,225	\$ 2,706,760
Operating grants and contributions	2,707,110	2,617,934
Capital grants and contributions	996,673	79,801
General revenues:		
Taxes		
Property	13,929,869	13,358,938
Gross receipts	1,776,282	1,692,565
Gasoline and motor vehicle	652,855	611,741
Other	49,264	60,290
Payment in lieu of taxes	1,878,813	1,570,305
Interest income	74,593	65,231
Special assessment - interest	42,531	49,907
Miscellaneous income	221,451	38,447
Gain (Loss) on disposal of capital assets	4,539	(21,978)
Special item - donated asset	-	165,298
	<hr/>	<hr/>
Total Revenues	25,997,205	22,995,239
	<hr/>	<hr/>
Program expenses:		
General government	5,179,373	5,135,220
Public safety	7,129,855	7,692,649
Public works	3,373,242	3,303,099
Culture and recreation	34,760	52,615
Health and welfare	6,622,251	5,408,528
Interest on long-term debt	140,930	148,212
	<hr/>	<hr/>
Total Expenses	22,480,411	21,740,323
	<hr/>	<hr/>
Change in net position	3,516,794	1,254,916
	<hr/>	<hr/>
Net position - beginning	47,089,610	51,712,950
Net position - restatement	-	(5,878,256)
	<hr/>	<hr/>
Net position - beginning - as restated	47,089,610	45,834,694
	<hr/>	<hr/>
Net position - ending	<u>\$ 50,606,404</u>	<u>\$ 47,089,610</u>

STATE OF NEW MEXICO
Lincoln County
Management's Discussion and Analysis
June 30, 2016

Financial Analysis of the Government's Funds

As noted earlier, Lincoln County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, Lincoln County's governmental funds reported combined ending fund balances of \$21,074,255, an increase of \$3,781,668 in comparison with the prior year. Approximately 33 percent of this total amount, \$7,120,297, constitutes *unassigned fund balance*, which is available for spending at the government's discretion, while approximately 67 percent of this total amount, \$13,953,958, is *nonspendable, restricted* or *committed* for specific purposes.

The General Fund is the chief operating fund of Lincoln County. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$7,126,578, while total fund balance was \$9,018,509. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 106 percent of total General Fund expenditures, while total fund balance represents 134 percent of that same amount. Fund balance of Lincoln County's General Fund increased by \$700,488 during the current fiscal year. The increase is due to a lesser amount of expenditures in the General Fund in the current year.

The Road Fund has a total fund balance of \$841,883. At the end of the current fiscal year, \$548,612 of the fund balance was restricted for the Maintenance of Roads, \$90,512 was nonspendable in inventory and \$202,759 was restricted for minimum fund balance. There were increased expenditures in this fund in the current year due primarily to more road maintenance in current year than prior year.

The Corrections Fund has a total fund balance of \$505,499. At the end of the current fiscal year, all of the fund balance was committed for the Detention Facility. There were increased expenditures in this fund in the current year due primarily to an increase in inmates.

The Lincoln County Medical Center Fund has a total fund balance of \$1,409,960, of which \$1,409,960 is *committed* for the Lincoln County Medical Center. The net decrease of fund balance in the current year was \$1,691,916. This decrease was primarily due to funds being transferred to the Lincoln County Medical Center Lease Fund, in anticipation of a future construction project to renovate the hospital.

The Lincoln County Medical Center Lease Fund has a total fund balance of \$3,025,525, of which \$3,025,525 is *committed* for the Lincoln County Medical Center. This fund was created to track lease payments for use of the hospital separately from the mill tax levy and to track expenses of a future construction project to renovate the hospital.

The Disaster Relief Fund has a total fund balance of \$655,621, of which \$655,621 is *restricted* for Disaster relief. The net increase in the current year was \$313,675. This increase was due to FEMA Disaster grants funding road projects for areas affected by prior flooding disasters.

Budgetary Highlights

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

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

The total variation in expenditures from the original and final budgets in the general fund was \$107,611. General government and Capital Outlay had increases in their budget of approximately \$97,611 and \$10,000 respectively.

STATE OF NEW MEXICO
Lincoln County
Management's Discussion and Analysis
June 30, 2016

Budgetary Highlights (continued)

The following table examines the summary budget performance of the major and aggregate non-major funds for the fiscal year ending June 30, 2016. Detail budget performance is reported in the statement of revenues, expenditures, and changes in fund balance, budget (Non-GAAP Budgetary Basis) and actual for each major fund and for the non-major funds.

Fund Expenditure Budget Performance

	<u>Final Budget</u>	<u>Actual on Cash (Budgetary) Basis</u>	<u>Favorable (Unfavorable) Variance</u>
General Fund	\$ 7,547,974	\$ 6,696,792	\$ 851,182
Road Fund	3,052,456	2,393,707	658,749
Corrections Fund	3,360,459	2,921,851	438,608
Lincoln County Medical Center Fund	2,610,436	2,050,081	560,355
Lincoln County Medical Center Lease Fund	3,150,000	218,421	2,931,579
Disaster Relief Fund	1,010,466	66,066	944,400
Other Governmental Funds	<u>12,157,985</u>	<u>8,015,909</u>	<u>4,142,076</u>
 Total for Governmental Funds	 <u>\$ 32,889,776</u>	 <u>\$ 22,362,827</u>	 <u>\$ 10,526,949</u>

The County amends its budget during the year in response to unexpected changes in its operating environment. The original and final budgets are reported and can be examined in the statement of revenues, expenditures, and change in fund balance (Non-GAAP budgetary basis) and actual for each major fund and the non-major funds. The County was disciplined this year with regards to spending and this was the reason for the favorable variances.

STATE OF NEW MEXICO
Lincoln County
Management's Discussion and Analysis
June 30, 2016

Capital Asset and Debt Administration

Capital Assets

Lincoln County's investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$38,742,516 (net of accumulated depreciation). This investment in capital assets includes land, intangible assets, construction in progress, buildings and improvements, equipment, infrastructure, and other improvements. The table below shows the summarized capital assets of Lincoln County as of June 30, 2016 and June 30, 2015.

**Lincoln County's Capital Assets, Net of Depreciation
June 30, 2016**

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Capital Assets		
Land	\$ 1,981,417	\$ 1,850,860
Intangible assets	192,908	102,533
Constuction in progress	1,024,466	120,675
Buildings and improvements	29,446,455	29,365,631
Equipment	19,571,030	18,557,583
Infrastructure	31,640,054	31,640,054
Other improvements	<u>686,421</u>	<u>573,795</u>
Total Capital Assets	<u>84,542,751</u>	<u>82,211,131</u>
Less: accumulated depreciation	<u>(45,800,235)</u>	<u>(42,732,086)</u>
Total Capital Assets, net of accumulated depreciation	<u>\$ 38,742,516</u>	<u>\$ 39,479,045</u>

The County recognized \$3,068,149 in depreciation expense during the year. Additional information on Lincoln County's capital assets can be found in note 6 of the financial statements.

Information on Lincoln County's commitments can be found in the note 15 of the financial statements.

STATE OF NEW MEXICO
 Lincoln County
 Management's Discussion and Analysis
 June 30, 2016

Long-term debt

At June 30, 2016, Lincoln County had total gross receipts revenue bonds outstanding of \$2,320,000, secured by pledged gross receipts taxes, loans outstanding of \$2,121,253, secured by a Deer Park special assessment district levy on property owners and pledged recurring fire fund appropriations.

**Lincoln County's Outstanding Debt
 June 30, 2016**

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Gross Receipts Revenue Bonds	\$ 2,320,000	\$ 2,495,000
NMFA Loans	2,121,253	2,389,041
Compensated Absences	<u>203,409</u>	<u>257,080</u>
 Total outstanding debt	 <u>\$ 4,644,662</u>	 <u>\$ 5,141,121</u>

The County reduced bonds payable by their principal payment of \$175,000. The County made principal payments towards loans payable in the amount of \$267,788. Additional information on Lincoln County's long-term debt can be found in the note 7 of the financial statements.

Economic Factor and Next Year's Budgets and Rates

- Inflationary trends in the region compare favorably to national indices.

This factor was considered in preparing Lincoln County's budget for the 2016 fiscal year.

During the current fiscal year, fund balance in the general fund increased to \$9,018,509. It is intended that the use of the available fund balance will avoid the need to raise taxes or charges during the 2016 fiscal year.

Request for Information

This financial report is designed to provide a general overview of Lincoln County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Manager, Lincoln County, 300 Central Avenue, Carrizozo, NM 88301.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

Lincoln County

Statement of Net Position

June 30, 2016

	Governmental Activities
Assets	
Current assets	
Cash and cash equivalents	\$ 15,821,223
Investments	3,194,778
Receivables:	
Property taxes	1,002,053
Other taxes	300,556
Other receivables, net	1,266,239
Special assessment - current portion	100,000
Inventory	122,506
Prepaid expenses	186,480
Total current assets	<u>21,993,835</u>
Noncurrent assets	
Restricted cash and cash equivalents	4,013,104
Special assessment - noncurrent receivable	439,742
Capital assets	84,542,751
Less: accumulated depreciation	<u>(45,800,235)</u>
Total noncurrent assets	<u>43,195,362</u>
Total assets	<u>65,189,197</u>
Deferred outflows of resources	
Employer contributions subsequent to the measurement date	493,439
Changes in proportion	227,945
Net difference between expected and actual experience	<u>194,680</u>
Total deferred outflows of resources	<u>916,064</u>
<i>Total assets and deferred outflows of resources</i>	<u><u>\$ 66,105,261</u></u>

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

	Governmental Activities
Liabilities	
Current liabilities	
Accounts payable	\$ 575,917
Accrued payroll	274,879
Unearned revenue	3,250,132
Accrued interest	17,756
Current portion of accrued compensated absences	203,409
Current portion of loans and bonds payable	373,285
Total current liabilities	<u>4,695,378</u>
Noncurrent liabilities	
Bond premiums, net of amortization of \$69,192	184,984
Loans payable	1,927,968
Bonds payable	2,140,000
Net pension liability	6,336,281
Total noncurrent liabilities	<u>10,589,233</u>
Total liabilities	<u>15,284,611</u>
Deferred inflows of resources	
Differences between expected and actual experience	78,639
Changes of assumptions	116,649
Net difference between projected and actual investment earnings on pension plan investments	18,958
Total deferred inflows of resources	<u>214,246</u>
Net position	
Net investment in capital assets	34,116,279
Restricted for:	
Debt service	1,620,601
Capital projects	433,374
Other purposes - special revenue	10,407,875
Unrestricted	4,028,275
Total net position	<u>50,606,404</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u><u>\$ 66,105,261</u></u>

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

(This page intentionally left blank.)

STATE OF NEW MEXICO
 Lincoln County
 Statement of Activities
 For the Year Ended June 30, 2016

Exhibit A-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
General government	\$ 5,179,373	\$ 572,912	\$ 103,694	\$ 388,394	\$ (4,114,373)
Public safety	7,129,855	946,801	1,468,614	-	(4,714,440)
Public works	3,373,242	1,968	384,350	324,813	(2,662,111)
Culture and recreation	34,760	-	46,981	281,528	293,749
Health and welfare	6,622,251	2,141,544	703,471	1,938	(3,775,298)
Interest on long-term debt	140,930	-	-	-	(140,930)
<i>Total governmental activities</i>	<u>\$ 22,480,411</u>	<u>\$ 3,663,225</u>	<u>\$ 2,707,110</u>	<u>\$ 996,673</u>	(15,113,403)

General revenues:

Taxes:	
Property	13,929,869
Gross receipts	1,776,282
Gasoline and motor vehicle	652,855
Other	49,264
Payment in lieu of taxes	1,878,813
Interest income	74,593
Special assessment - interest	42,531
Miscellaneous income	221,451
Gain on disposal of capital assets	<u>4,539</u>
 Total general revenues	 <u>18,630,197</u>
 Change in net position	 3,516,794
 Net position - beginning	 <u>47,089,610</u>
 <i>Net position - ending</i>	 <u><u>\$ 50,606,404</u></u>

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

STATE OF NEW MEXICO

Lincoln County
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Road</u>	<u>Corrections</u>	<u>Lincoln County Medical Center</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 5,898,401	\$ 500,000	\$ 578,500	\$ 1,369,711
Investments	2,905,375	-	-	-
Current receivables:				
Property taxes	783,764	-	-	167,110
Other taxes	6,751	32,963	-	-
Other receivables, net	27,121	316,787	171,447	-
Special assessment	-	-	-	-
Inventory	31,994	90,512	-	-
Prepaid expenses	186,480	-	-	-
Noncurrent receivables - special assessment	-	-	-	-
<i>Total assets</i>	<u>\$ 9,839,886</u>	<u>\$ 940,262</u>	<u>\$ 749,947</u>	<u>\$ 1,536,821</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 34,852	\$ 60,868	\$ 244,448	\$ 465
Accrued payroll	195,674	37,511	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>230,526</u>	<u>98,379</u>	<u>244,448</u>	<u>465</u>
<i>Deferred Inflows of Resources</i>				
Unavailable revenue:				
Property taxes	590,851	-	-	126,396
Special assessment	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>590,851</u>	<u>-</u>	<u>-</u>	<u>126,396</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	31,994	90,512	-	-
Prepaid expenses	186,480	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	548,612	-	-
Fire departments	-	-	-	-
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Disaster relief	-	-	-	-
Senior center	-	-	-	-
Deer park special assessment district	-	-	-	-
Capital improvements	-	-	-	-
Debt service expenditures	-	-	-	-
Minimum fund balance	1,675,313	202,759	-	-
Committed to:				
Detention facility	-	-	505,499	-
Lincoln County Medical Center	-	-	-	1,409,960
Unassigned	7,124,722	-	-	-
<i>Total fund balances</i>	<u>9,018,509</u>	<u>841,883</u>	<u>505,499</u>	<u>1,409,960</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 9,839,886</u>	<u>\$ 940,262</u>	<u>\$ 749,947</u>	<u>\$ 1,536,821</u>

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

Lincoln County Medical Center Lease Fund	Disaster Relief	Other Governmental Funds	Total
\$ 3,025,525	\$ 3,905,753	\$ 4,556,437	\$ 19,834,327
-	-	289,403	3,194,778
-	-	51,179	1,002,053
-	-	260,842	300,556
-	-	750,884	1,266,239
-	-	100,000	100,000
-	-	-	122,506
-	-	-	186,480
-	-	439,742	439,742
<u>\$ 3,025,525</u>	<u>\$ 3,905,753</u>	<u>\$ 6,448,487</u>	<u>\$ 26,446,681</u>
\$ -	\$ -	\$ 235,284	\$ 575,917
-	-	41,694	274,879
-	3,250,132	-	3,250,132
-	3,250,132	276,978	4,100,928
-	-	38,919	756,166
-	-	515,332	515,332
-	-	554,251	1,271,498
-	-	-	122,506
-	-	-	186,480
-	-	407,955	407,955
-	-	80,090	628,702
-	-	1,070,152	1,070,152
-	-	192,153	192,153
-	-	54,418	54,418
-	-	97,507	97,507
-	-	1,868,465	1,868,465
-	655,621	-	655,621
-	-	109,560	109,560
-	-	749,332	749,332
-	-	433,374	433,374
-	-	558,677	558,677
-	-	-	1,878,072
-	-	-	505,499
3,025,525	-	-	4,435,485
-	-	(4,425)	7,120,297
<u>3,025,525</u>	<u>655,621</u>	<u>5,617,258</u>	<u>21,074,255</u>
<u>\$ 3,025,525</u>	<u>\$ 3,905,753</u>	<u>\$ 6,448,487</u>	<u>\$ 26,446,681</u>

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

(This page intentionally left blank.)

STATE OF NEW MEXICO

Lincoln County

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2016

Exhibit B-1

Page 2 of 2

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

Fund balances - total governmental funds	\$	21,074,255
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		38,742,516
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds:		
Deferred outflows of resources related to employer contribution subsequent to measurement date		493,439
Deferred outflows of resources related to difference between expected and actual experience		194,680
Deferred outflows of resources related to changes in proportion		227,945
Deferred inflows of resources related to differences between expected and actual experience		(78,639)
Deferred inflows of resources related to net difference between projected and actual investment earnings on pension plan investments		(18,958)
Deferred inflows of resources related to changes of assumptions		(116,649)
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities		756,166
Special assessment district revenue not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities		515,332
Certain liabilities, including bonds payable, and current portion of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable		(17,756)
Current portion of accrued compensated absences		(203,409)
Bond premiums		(184,984)
Bonds payable		(2,320,000)
Loans payable		(2,121,253)
Net pension liability		(6,336,281)
		(6,336,281)
<i>Net position - governmental activities</i>	\$	50,606,404

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

STATE OF NEW MEXICO
Lincoln County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	<u>General Fund</u>	<u>Road</u>	<u>Corrections</u>	<u>Lincoln County Medical Center</u>
<i>Revenues</i>				
Taxes:				
Property	\$ 10,778,761	\$ -	\$ -	\$ 2,337,334
Gross receipts	322,462	-	-	-
Gasoline and motor vehicle taxes	45,031	412,640	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	12,632	135,527	-	-
Federal capital grants	-	-	-	-
State operating grants	43,889	248,823	93,560	-
State capital grants	-	324,813	-	1,938
Payment in lieu of taxes	1,878,813	-	-	-
Charges for services	194,221	1,968	831,996	458,333
Investment income	55,852	-	-	6,079
Special assessment	-	-	-	-
Special assessment - interest	-	-	-	-
Miscellaneous	34,888	20,186	5,564	-
<i>Total revenue</i>	<u>13,366,549</u>	<u>1,143,957</u>	<u>931,120</u>	<u>2,803,684</u>
<i>Expenditures</i>				
Current:				
General government	3,931,683	-	-	-
Public safety	2,679,304	-	2,929,928	-
Public works	-	2,433,107	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	1,895,600
Capital outlay	90,264	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,701,251</u>	<u>2,433,107</u>	<u>2,929,928</u>	<u>1,895,600</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>6,665,298</u>	<u>(1,289,150)</u>	<u>(1,998,808)</u>	<u>908,084</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	1,785,612	2,258,030	-
Transfers (out)	(5,964,810)	-	-	(2,600,000)
<i>Total other financing sources (uses)</i>	<u>(5,964,810)</u>	<u>1,785,612</u>	<u>2,258,030</u>	<u>(2,600,000)</u>
<i>Net change in fund balances</i>	700,488	496,462	259,222	(1,691,916)
<i>Fund balances - beginning of year</i>	<u>8,318,021</u>	<u>345,421</u>	<u>246,277</u>	<u>3,101,876</u>
<i>Fund balances - end of year</i>	<u>\$ 9,018,509</u>	<u>\$ 841,883</u>	<u>\$ 505,499</u>	<u>\$ 1,409,960</u>

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

Lincoln County Medical Center Lease Fund	Disaster Relief	Other Governmental Funds	Total
\$ -	\$ -	\$ 733,222	\$ 13,849,317
-	-	1,453,820	1,776,282
-	-	195,184	652,855
-	-	49,264	49,264
-	236,862	370,046	755,067
-	-	388,394	388,394
-	52,982	1,512,789	1,952,043
-	-	281,528	608,279
-	-	-	1,878,813
641,667	-	1,535,040	3,663,225
2,279	-	10,383	74,593
-	-	121,554	121,554
-	-	42,531	42,531
-	79,430	81,383	221,451
<u>643,946</u>	<u>369,274</u>	<u>6,775,138</u>	<u>26,033,668</u>
-	55,599	624,289	4,611,571
-	-	811,002	6,420,234
-	-	150,734	2,583,841
-	-	34,760	34,760
138,421	-	3,638,668	5,672,689
80,000	-	2,161,356	2,331,620
-	-	442,788	442,788
-	-	159,036	159,036
<u>218,421</u>	<u>55,599</u>	<u>8,022,633</u>	<u>22,256,539</u>
<u>425,525</u>	<u>313,675</u>	<u>(1,247,495)</u>	<u>3,777,129</u>
-	-	4,539	4,539
2,600,000	-	2,983,634	9,627,276
-	-	(1,062,466)	(9,627,276)
<u>2,600,000</u>	<u>-</u>	<u>1,925,707</u>	<u>4,539</u>
3,025,525	313,675	678,212	3,781,668
-	341,946	4,939,046	17,292,587
<u>\$ 3,025,525</u>	<u>\$ 655,621</u>	<u>\$ 5,617,258</u>	<u>\$ 21,074,255</u>

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

(This page intentionally left blank.)

STATE OF NEW MEXICO

Lincoln 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

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$	3,781,668
--	----	-----------

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		2,331,620
Depreciation expense		(3,068,149)

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

Change in property taxes		80,552
Change in special assessment district		(121,554)

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

Pension contributions		493,439
Pension expense		(495,347)

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

Decrease in accrued compensated absences not due and payable		53,671
Decrease in accrued interest payable		1,161
Amortization of bond premium		16,945
Principal payments on bonds		175,000
Principal payments on notes and leases payable		267,788

<i>Change in net position of governmental activities</i>	<u>\$</u>	<u>3,516,794</u>
--	-----------	------------------

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

STATE OF NEW MEXICO

Exhibit C-1

Lincoln County

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ 10,143,649	\$ 10,143,649	\$ 10,768,362	\$ 624,713
Gross receipts	165,570	324,721	323,216	(1,505)
Gasoline and motor vehicle	69,394	69,394	45,532	(23,862)
Intergovernmental income:				
Federal operating grants	21,438	21,438	11,212	(10,226)
State operating grants	14,208	27,723	21,077	(6,646)
State capital grants	-	-	-	-
Payment in lieu of taxes	1,700,122	1,878,813	1,878,813	-
Charges for services	198,584	199,724	193,807	(5,917)
Investment income	23,908	23,908	55,883	31,975
Miscellaneous	3,187	35,363	34,888	(475)
<i>Total revenues</i>	<u>12,340,060</u>	<u>12,724,733</u>	<u>13,332,790</u>	<u>608,057</u>
<i>Expenditures</i>				
Current:				
General government	4,519,258	4,616,869	3,948,948	667,921
Public safety	2,807,105	2,807,105	2,634,860	172,245
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	114,000	124,000	112,984	11,016
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,440,363</u>	<u>7,547,974</u>	<u>6,696,792</u>	<u>851,182</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,899,697</u>	<u>5,176,759</u>	<u>6,635,998</u>	<u>1,459,239</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,463,096	1,432,298	-	(1,432,298)
Proceeds from sale of equipment	-	9,428	9,428	-
Transfers in	-	-	-	-
Transfers (out)	(7,362,793)	(6,618,485)	(5,964,810)	653,675
<i>Total other financing sources (uses)</i>	<u>(4,899,697)</u>	<u>(5,176,759)</u>	<u>(5,955,382)</u>	<u>(778,623)</u>
<i>Net change in fund balance</i>	-	-	680,616	680,616
<i>Fund balance - beginning of year</i>	-	-	8,123,160	8,123,160
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,803,776</u>	<u>\$ 8,803,776</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 680,616
Adjustments to revenues for property tax and grant revenues				24,331
Adjustments to expenditures for insurance, materials, other charges, and payroll expenditures				(4,459)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 700,488</u>

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

STATE OF NEW MEXICO

Exhibit C-2

Lincoln County

Road Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	350,000	415,000	414,612	(388)
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	10,000	135,527	135,527	-
State operating grants	137,446	137,446	113,189	(24,257)
State capital grants	179,298	179,298	143,742	(35,556)
Payment in lieu of taxes	-	-	-	-
Charges for services	2,200	2,200	1,968	(232)
Investment income	-	-	-	-
Miscellaneous	-	20,104	20,104	-
<i>Total revenues</i>	<u>678,944</u>	<u>889,575</u>	<u>829,142</u>	<u>(60,433)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	2,499,669	2,732,456	2,104,678	627,778
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	20,000	20,000	8,708	11,292
Debt service:				
Principal	300,000	300,000	280,321	19,679
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,819,669</u>	<u>3,052,456</u>	<u>2,393,707</u>	<u>658,749</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,140,725)</u>	<u>(2,162,881)</u>	<u>(1,564,565)</u>	<u>598,316</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(141,766)	(204,046)	-	204,046
Proceeds from sale of equipment	-	-	-	-
Transfers in	2,282,491	2,366,927	1,785,612	(581,315)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,140,725</u>	<u>2,162,881</u>	<u>1,785,612</u>	<u>(377,269)</u>
<i>Net change in fund balance</i>	-	-	221,047	221,047
<i>Fund balance - beginning of year</i>	-	-	278,953	278,953
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 221,047
Adjustments to revenues for charges for state grants, taxes, and other revenues				314,815
Adjustments to expenditures for public safety and capital outlay expenditures				(39,400)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 496,462</u>

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

STATE OF NEW MEXICO

Exhibit C-3

Lincoln County

Corrections Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	100,000	100,000	93,560	(6,440)
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	422,000	700,486	697,991	(2,495)
Investment income	-	-	-	-
Miscellaneous	200	5,578	5,578	-
<i>Total revenues</i>	<u>522,200</u>	<u>806,064</u>	<u>797,129</u>	<u>(8,935)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	3,360,459	3,360,459	2,921,851	438,608
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,360,459</u>	<u>3,360,459</u>	<u>2,921,851</u>	<u>438,608</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,838,259)</u>	<u>(2,554,395)</u>	<u>(2,124,722)</u>	<u>429,673</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	254,070	161,328	-	(161,328)
Proceeds from sale of equipment	-	-	-	-
Transfers in	2,584,189	2,393,067	2,258,030	(135,037)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,838,259</u>	<u>2,554,395</u>	<u>2,258,030</u>	<u>(296,365)</u>
<i>Net change in fund balance</i>	-	-	133,308	133,308
<i>Fund balance - beginning of year</i>	-	-	445,192	445,192
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 578,500</u>	<u>\$ 578,500</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 133,308
Adjustments to revenues for charges for services				133,991
Adjustments to expenditures for public safety expenditures				(8,077)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 259,222</u>

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

STATE OF NEW MEXICO

Exhibit C-4

Lincoln County

Lincoln County Medical Center Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ 2,195,000	\$ 2,195,000	\$ 2,336,938	\$ 141,938
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	1,938	1,938	-
Payment in lieu of taxes	-	-	-	-
Charges for services	1,100,000	825,000	825,000	-
Investment income	4,100	5,864	6,079	215
Miscellaneous	-	-	-	-
Total revenues	3,299,100	3,027,802	3,169,955	142,153
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	2,004,226	2,004,226	1,895,871	108,355
Capital outlay	606,210	606,210	154,210	452,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,610,436	2,610,436	2,050,081	560,355
Excess (deficiency) of revenues over expenditures	688,664	417,366	1,119,874	702,508
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(688,664)	2,182,634	-	(2,182,634)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(2,600,000)	(2,600,000)	-
Total other financing sources (uses)	(688,664)	(417,366)	(2,600,000)	(2,182,634)
Net change in fund balance	-	-	(1,480,126)	(1,480,126)
Fund balance - beginning of year	-	-	2,849,837	2,849,837
Fund balance - end of year	\$ -	\$ -	\$ 1,369,711	\$ 1,369,711
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,480,126)
Adjustments to revenues for property taxes and charges for services				(366,271)
Adjustments to expenditures for emergency medical and capital expenditures				154,481
Net change in fund balance (GAAP)				\$ (1,691,916)

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

STATE OF NEW MEXICO

Exhibit C-5

Lincoln County

Lincoln County Medical Center Lease Fund Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	641,667	641,667	-
Investment income	-	2,165	2,279	114
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	643,832	643,946	114
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	1,070,000	138,421	931,579
Capital outlay	-	2,080,000	80,000	2,000,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	3,150,000	218,421	2,931,579
<i>Excess (deficiency) of revenues over expenditures</i>	-	(2,506,168)	425,525	2,931,693
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(93,832)	-	93,832
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	2,600,000	2,600,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	2,506,168	2,600,000	93,832
<i>Net change in fund balance</i>	-	-	3,025,525	3,025,525
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 3,025,525	\$ 3,025,525
Net change in fund balance (non-GAAP budgetary basis)				\$ 3,025,525
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				\$ 3,025,525

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

STATE OF NEW MEXICO

Exhibit C-6

Lincoln County

Disaster Relief Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	4,284,198	3,503,477	3,503,696	219
State operating grants	-	52,982	52,982	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	78,447	79,430	983
<i>Total revenues</i>	<u>4,284,198</u>	<u>3,634,906</u>	<u>3,636,108</u>	<u>1,202</u>
<i>Expenditures</i>				
Current:				
General government	1,010,467	1,010,466	66,066	944,400
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,010,467</u>	<u>1,010,466</u>	<u>66,066</u>	<u>944,400</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,273,731</u>	<u>2,624,440</u>	<u>3,570,042</u>	<u>945,602</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(3,273,731)	(2,092,404)	-	2,092,404
Transfers in	-	-	-	-
Transfers (out)	-	(532,036)	-	532,036
<i>Total other financing sources (uses)</i>	<u>(3,273,731)</u>	<u>(2,624,440)</u>	<u>-</u>	<u>2,624,440</u>
<i>Net change in fund balance</i>	-	-	3,570,042	3,570,042
<i>Fund balance - beginning of year</i>	-	-	335,711	335,711
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,905,753</u>	<u>\$ 3,905,753</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 3,570,042
Adjustments to revenues for federal grants				(3,266,834)
Adjustments to expenditures for emergency medical and capital expenditures				10,467
<i>Net change in fund balance (GAAP)</i>				<u>\$ 313,675</u>

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

STATE OF NEW MEXICO
Lincoln County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2016

Exhibit D-1

<i>Current Assets</i>	
Cash	\$ 316,439
Property taxes receivable	<u>1,213,416</u>
<i>Total current assets</i>	<u>1,529,855</u>
 <i>Noncurrent Assets</i>	
Capital assets	<u>32,789</u>
<i>Total noncurrent assets</i>	<u>32,789</u>
 <i>Total assets</i>	 <u><u>\$ 1,562,644</u></u>
 <i>Liabilities</i>	
Deposits held in trust	\$ 316,439
Due to other taxing entities	1,213,416
Capital asset held in trust	<u>32,789</u>
 <i>Total liabilities</i>	 <u><u>\$ 1,562,644</u></u>

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

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies

Lincoln County (the “County”) is a political sub-division of the State of New Mexico established under the provisions of Section 14-14-1 of NMSA, 1978 compilation and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commissions-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, sanitation, planning and zoning, property assessment, tax collection and general administrative services.

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

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

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

During the year ended June 30, 2016, the County adopted GASB Statements No. 72, *Fair Value Measurement and Application*, No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, No. 79, *Certain External Investment Pools and Pool Participants*, and a portion of No 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. GASB Statements Nos. 72, 76, and a portion of 79, as well as the implemented portion of Statement No. 73, are required to be implemented for the fiscal year ending June 30, 2016.

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

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

GASB Statement No. 73 establishes accounting and financial reporting standards for defined benefit pensions and defined contribution pensions that are not provided to employees of state and local government employers and are not within the scope of Statement 68. A portion of this pronouncement is effective for June 30, 2016 year end and a portion is effective for June 30, 2017 year end. Effective for June 30, 2016 are the amendments for Statement No.s 67 and 68 and assets accumulated for pensions not administered as trusts. The amendments of this pronouncement clarifies application of certain provisions of GASB 67 and 68 with regards to the following issues: (1) Information that is required to be presented as notes to the 10-year schedules of RSI about investment-related factors that significantly affect trends in reported amounts; (2) Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions; and (3) Timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation.

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

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

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. A portion of this pronouncement is effective for June 30, 2016 year end and a portion is effective for June 30 2017 year end. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool for measuring all of its investments at amortized cost for financial reporting purposes. Professional judgement is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide for qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

The objective of GASB Statement No. 82 is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and; (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements

A. Financial Reporting Entity

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

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

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

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

Based upon the application of these criteria, the County has no component units, and is not a component unit of another governmental agency.

B. Government-wide and fund financial statements

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

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

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

Under the requirements of GASB Statement No. 34, the County is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following, which includes funds that were not required to be presented as major but were at the discretion of management:

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

The *Road Special Revenue Fund* is used to account for revenues and expenditures used to maintain roads for which the County has responsibility. Financing sources include gasoline taxes, motor vehicle registration fees, and New Mexico Department of Transportation cooperative agreement funds. Expenditures are restricted for construction and maintenance of County roads. Authority is state statute (see section 67-3-1, NMSA 1978 Compilation).

The *Corrections Special Revenue Fund* is used to account for the penalty assessments added to each traffic fine in the Magistrate Courts. Expenditures are limited to use in the detention facility improvements. Authority is state statute (see sections 33-3-25 and 35-14-11, NMSA 1978 Compilation)

The *Lincoln County Medical Center Special Revenue Fund* is used to account for the operations, maintenance and capital purchases of the Lincoln County Medical Center. Financing is provided primarily by a special property tax mill levy authorized by the County Commission.

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The *Lincoln County Medical Center Lease Special Revenue Fund* is used to account for the funds received from a lease agreement and contract for the Operation of Lincoln County Medical Center, to be used for the construction, architectural work, and debt service for hospital renovations and other county needs. Authority for creation of this fund is by County Commission budget adoption and approval.

The *Disaster Relief Special Revenue Fund* is used to account for disaster aid and expenditures from the damage caused by fires and flooding in the County. Authority for creation of the fund is the New Mexico Disaster Relief Act, 6-7-1 et seq. NMSA 1978 as amended.

Additionally, the government reports the following agency fund:

Fiduciary funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are used to account for the collection and payment of property taxes and special fees to other governmental agencies. The agency fund is used to account for collection and disbursement of inmate funds for the Lincoln County Detention Center. In addition, the agency fund will track and account for items held for the fire departments located within Lincoln County.

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

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

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

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

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

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Receivables and Payables: Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting funds and reduces its related cost as a reimbursement.

All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

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

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

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

Inventory: The County's method of accounting for inventory is the consumption method. Under the consumption approach, the government reports inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and consists of supplies and materials. The cost of purchased supplies and materials is recorded as an expenditure at the time individual inventory items are consumed.

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

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended. Descriptions for the related restriction for net position for special revenue, debt service and capital projects are described on pages 45-46 and 82-85.

Capital Assets: Capital assets, which are property, plant, equipment, and infrastructure assets, (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Lincoln County was a phase II government for purposes of implementing GASB 34. Therefore, the County was required to report its major general infrastructure assets retroactively to June 30, 1980. The County has made the required restatement for infrastructure assets retroactive to June 30, 1980, in order to properly implement GASB 34. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5).

STATE OF NEW MEXICO
 Lincoln County
 Notes to the Financial Statements
 June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

The County has an intangible asset for internally generated software and has determined that this software has an indefinite useful life and is not subject to amortization.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	45
Equipment	5-20
Infrastructure	40
Other Improvements	20

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2016, along with applicable PERA, FICA, and Medicare payable.

Deferred Inflows of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflow of resources. The County has two items, which arise under the modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, the items, unavailable revenue – property taxes and unavailable revenue – special assessment, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County has recorded \$1,271,498 related to property taxes and special assessments considered “unavailable.” In addition, the County has three types of deferred inflows which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, these items, net difference between projected and actual investment earnings, change in assumptions, and differences between expected and actual experience, are reported on the Statement of Net Position. Net difference between expected and actual investment earnings are amortized into pension expense over a five-year period. Changes in assumptions are amortized into pension expense over the average remaining service life of the employee participants. Differences between expected and actual experience are amortized into pension expense over the five-year period. The County has recorded \$116,649 related to change in assumptions, \$18,958 related to the net difference between expected and actual investment earnings, and \$78,639 related to the difference between expected and actual experience.

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Deferred Outflow of Resources: In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The County has three types of items that qualifies for reporting in this category: Accordingly, the items, changes in proportion of \$227,945, net difference between expected and actual experience of \$194,680 and employer contributions subsequent to measurement date of \$493,439, have been reported as deferred outflows of resources. These amounts are reported in the Statement of Net Position. These amounts are deferred and recognized as outflows of resources the next period.

Unearned Revenue: Unearned revenue in the governmental funds balance sheet is comprised of \$3,250,132 from funds that were received by the County for use in disaster recovery and remained unspent and have not been earned as of June 30, 2016.

Compensated Absences: Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of seven days to fifteen days per year, depending on length of service.

No more than twenty (20) working days, or one hundred sixty (160) hours of annual leave, may be carried forward from one calendar year to the next. All excess annual leave shall be forfeited, if not used, unless extenuating circumstances warrant approval of an extension by the County Commissioners of Lincoln County.

Qualified employees are entitled to accumulate sick leave at a rate of twelve days per year. Sick leave can be carried over from year to year up to 960 hours (120 days). Upon termination employees receive no pay for sick time accumulated unless they become eligible. Employees eligible for retirement will be reimbursed for fifty percent (50%) of the accumulated sick leave time if a person has been an employee of Lincoln County for a minimum of fifteen (15) consecutive years prior to retirement. In no case shall reimbursed sick leave exceed 240 hours.

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

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. For bonds issued after GASB 34 was implemented, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or on a straight-line basis if the difference is inconsequential. For fund financial reporting, bond premiums, discounts as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Fund Balance Classification Policies and Procedures: For committed fund balance, the County's highest level of decision-making authority is the County Commission. The formal action that is required to be taken to establish a fund balance commitment is the County Commission.

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

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

Nonspendable Fund Balance: At June 30, 2016, the nonspendable fund balance in the governmental funds consists of amounts associated with inventory in the amount of \$122,506 and prepaid expenses in the amount of \$186,480 that are not in spendable form

Restricted and Committed Fund Balance: At June 30, 2016, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$8,703,988 for various County operations as restricted by enabling legislation. The County has also presented committed fund balance on the governmental funds balance sheet in the amount of \$4,940,984 in order to provide services throughout the County. The details of these fund balance items are located on the governmental funds balance sheet as detailed on pages 26 and 27.

Minimum Fund Balance Policy: The County's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the County holds cash reserves of 3/12th the General Fund expenditures and a cash reserve of 1/12th the Road Special Revenue Fund. At June 30, 2016, the County maintains \$1,878,072 as minimum fund balances.

Net Position: The financial statements net position is reported in three categories: net investment in capital assets, restricted, and unrestricted:

- **Net investment in capital assets** – This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any related debt attributable to the acquisition, construction, or improvement of those assets.
- **Restricted Net Position** – Net position is reported as restricted when constraints placed on net position use are either (1) externally imposed by creditors, grantors, contributions or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, debt service, and capital projects” are described on pages 45-46 and 82-85.

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

- **Unrestricted Net Position** – Net position that do not meet the definition of “restricted” and “Net Investment in Capital Assets.”

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the County are management’s estimate of depreciation on assets over their estimated useful lives, the current portion of accrued compensated absences, uncollectible amounts of receivables, pension liability, and related deferred inflows and outflows of resources.

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

NOTE 2. Stewardship, Compliance, and Accountability

Budgetary Information

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

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

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 2. Stewardship, Compliance, and Accountability

Budgetary Information (continued)

The budgetary information presented in these financial statements has been properly amended by County Commissioners in accordance with the above procedures. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ 4,899,697	\$ 5,176,759
Road Special Revenue Fund	\$ (2,140,725)	\$ (2,162,881)
Corrections Special Revenue Fund	\$ (2,838,259)	\$ (2,554,395)
Lincoln County Medical Center Special Revenue Fund	\$ 688,664	\$ 417,366
Lincoln County Medical Center Lease Special Revenue Fund	\$ -	\$ (2,506,168)
Disaster Relief Special Revenue Fund	\$ 3,273,731	\$ 2,624,440
Other Governmental Funds	\$ (3,484,832)	\$ (4,396,080)

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2016 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 3. Deposits and Investments

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

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

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

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 3. Deposits and Investments (continued)

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.

All of the County's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the Standard Maximum Deposit Insurance Amount of \$250,000.

Custodial Credit Risk – Deposits

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2016, \$20,036,427 of the County's bank balance of \$22,036,427 was exposed to custodial credit risk. Although the \$20,036,427 was uninsured, it was collateralized by collateral held by the pledging bank's trust department, not in the County's name. None of the County's deposits were uninsured and uncollateralized at June 30, 2016.

	<u>City Bank</u>	<u>First National Bank</u>	<u>First Savings Bank</u>	<u>Pioneer Bank</u>
Amount of deposits	\$ 2,001,230	\$ 12,188,775	\$ 2,004,383	\$ 1,625,435
FDIC coverage	(250,000)	(250,000)	(500,000)	(250,000)
Total uninsured public funds	<u>1,751,230</u>	<u>11,938,775</u>	<u>1,504,383</u>	<u>1,375,435</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>1,751,230</u>	<u>11,938,775</u>	<u>1,504,383</u>	<u>1,375,435</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50%)	\$ 875,615	\$ 5,969,388	\$ 752,192	\$ 687,718
Pledged securities	2,275,751	17,588,631	1,960,446	2,263,960
Over (under) collateralized	<u>\$ 1,400,136</u>	<u>\$ 11,619,243</u>	<u>\$ 1,208,254</u>	<u>\$ 1,576,242</u>
	Washington			
	<u>Federal Bank</u>	<u>Wells Fargo</u>	<u>Total</u>	
Amount of deposits	\$ 2,716,362	\$ 1,500,242	\$ 22,036,427	
FDIC coverage	(500,000)	(250,000)	(2,000,000)	
Total uninsured public funds	<u>2,216,362</u>	<u>1,250,242</u>	<u>20,036,427</u>	
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>2,216,362</u>	<u>1,250,242</u>	<u>20,036,427</u>	
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Collateral requirement (50%)	\$ 1,108,181	\$ 625,121	\$ 10,018,215	
Pledged securities	2,531,401	1,400,000	28,020,189	
Over (under) collateralized	<u>\$ 1,423,220</u>	<u>\$ 774,879</u>	<u>\$ 18,001,974</u>	

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 3. Deposits and Investments (continued)

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

Investments

Credit Risk

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

As of June 30, 2016, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>	<u>Rating***</u>
U.S. Treasury MM Mutual Fund**	<1 year	\$ 44,676	AAA
U.S. Treasury MM Mutual Fund	<1 year	2,193,463	AAA
New MexiGROW LGIP	77.7 days	1,315	AAAm
		<u>\$ 2,239,454</u>	

**Restricted cash and cash equivalents per Exhibit A-1

*** Based off Moody's rating

The investments are listed on Schedule IV of this report. The types of investment, interest rate, maturity date and fair value per security are included in the schedule.

The County also has \$44,676 in NMFA reserve cash that is not included as an investment but instead as restricted cash in the Statement of Net Position.

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

Concentration of Credit Risk – Investments. For an investment, concentration of credit risk is when any one issuer is 5% or more of the investment portfolio of the County. The investments in U.S Treasury Money Market Mutual Funds represent 100% of the investment portfolio. Since the County only purchases investments with the highest credit rating, the concentration is not viewed to be an additional risk by the County. The County's policy related to concentration of credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

The County has presented certificates of deposits of \$1,000,000 as investments in the Statement of Net Position, however, these are classified as deposits for disclosure purposes.

STATE OF NEW MEXICO
 Lincoln County
 Notes to the Financial Statements
 June 30, 2016

NOTE 3. Deposits and Investments (continued)

The County utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Agency Funds are all in multiple accounts. Separate accounts also exist for Sheriff's Office confiscation related funds.

Reconciliation of Cash and Cash Equivalents

Primary Government

Reconciliation to the Statement of Net Position

Cash and cash equivalents per Exhibit A-1	\$ 15,821,223
Restricted cash and cash equivalents per Exhibit A-1	4,013,104
Cash - Statement of Fiduciary Assets and Liabilities per Exhibit D-1	316,439
Investments per Exhibit A-1	<u>3,194,778</u>
 Total cash, cash equivalents, and investments	 23,345,544
 Add: outstanding checks	 937,983
Less: deposits in transit	(6,296)
Less: investments in U.S. Treasury MM mutual fund	(44,676)
Less: investments in Fidelity	(2,193,463)
Less: investments in LGIP	(1,315)
Less: petty cash	<u>(1,350)</u>
 Bank balance of deposits	 <u><u>\$ 22,036,427</u></u>

Fair Value Measurement

The fair value framework uses a hierarchy that prioritizes the inputs to the 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 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted prices that are observable for the asset or liability.
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 3. Deposits and Investments (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the County believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The County maintained a balance of \$2,239,454 in money market accounts (cash equivalent) at year end which required fair value disclosure.

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

<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
\$ 2,239,454	\$ -	\$ -	\$ 2,239,454

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 4. Receivables

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

	<u>General Fund</u>	<u>Road Fund</u>	<u>Corrections Fund</u>
Current receivables:			
Property taxes	\$ 783,764	\$ -	\$ -
Other taxes:			
Gross receipts taxes	710	-	-
Other taxes	6,041	32,963	-
Other receivables:			
Charges for services	429	-	171,447
Intergovernmental:			
State	435	316,705	-
Federal	3,783	-	-
Miscellaneous	22,474	82	-
Totals	<u>\$ 817,636</u>	<u>\$ 349,750</u>	<u>\$ 171,447</u>

	<u>Lincoln Co. Medical Center Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Current receivables:			
Property taxes	\$ 167,110	\$ 51,179	\$ 1,002,053
Other taxes:			
Gross receipts taxes	-	239,171	239,881
Gasoline and oil taxes	-	15,772	15,772
Other taxes	-	5,899	44,903
Other receivables:			
Charges for services	-	186	172,062
Intergovernmental:			
State	-	360,133	677,273
Federal	-	276,625	280,408
Miscellaneous	-	157,247	179,803
Allowance-Uncollectible Solid Waste Fees	-	(43,307)	(43,307)
Special assessment	-	100,000	100,000
Noncurrent receivables - special assessment	-	439,742	439,742
Totals	<u>\$ 167,110</u>	<u>\$ 1,602,647</u>	<u>\$ 3,108,590</u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$756,166 that were not collected within the period of availability have been reclassified as deferred inflow of resources in the governmental fund financial statements. In addition, Special Assessment revenues in the amount of \$515,332 have been reclassified as deferred inflow of resources, see Note 16.

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 5. Transfers

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

Transfers Out	Transfers In	Amount
General Fund	Road Fund Special Revenue Fund	\$ 1,785,612
General Fund	CDBG Grant Capital Projects Fund	245,398
General Fund	Special Programs Special Revenue Fund	69,939
General Fund	Capital Improvements Capital Projects Fund	582,432
General Fund	Agreements Special Revenue Fund	188,550
General Fund	Predatory Animal Control Special Revenue Fund	40,208
General Fund	Forest Reserve Special Revenue Fund	5,793
General Fund	Corrections Special Revenue Fund	1,880,430
General Fund	Legislative Appropriation Capital Projects Fund	48,985
General Fund	Environmental Gross Receipts Special Revenue Fund	903,077
General Fund	Indigent Health Care Special Revenue Fund	11,716
General Fund	Juvenile Justice Grant Special Revenue Fund	78,885
General Fund	HIDTA Partnership Special Revenue Fund	967
General Fund	Senior Citizen's Special Revenue Fund	122,818
Lincoln County Medical Center Special Revenue Fund	Lincoln County Medical Center Lease Special Revenue Fund	2,600,000
Legislative Appropriation Capital Projects Fund	CDBG Grant Capital Projects Fund	22,002
Fire Fund Special Revenue Fund	1st 1/8 GRT Debt Reserve Debt Service Fund	140,204
Deer Park Special Assessment Income Debt Service Fund	1st 1/8 GRT Debt Reserve Debt Service Fund	131,890
1st 1/8 GRT Reserve Debt Service Fund	Corrections Special Revenue Fund	377,600
1st 1/8th GRT Income Debt Service Fund	1st 1/8th GRT Reserve Debt Service Fund	<u>390,770</u>
	Total	<u><u>\$ 9,627,276</u></u>

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 6. Capital Assets

The following is a summary of capital assets and changes occurring during the year ended June 30, 2016. Land, intangible assets, and construction in progress are not subject to depreciation.

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,850,860	\$ 130,557	\$ -	\$ 1,981,417
Intangible assets	102,533	90,375	-	192,908
Construction in progress	120,675	903,791	-	1,024,466
	<u>2,074,068</u>	<u>1,124,723</u>	<u>-</u>	<u>3,198,791</u>
Capital assets being depreciated:				
Buildings and improvements	29,365,631	80,824	-	29,446,455
Equipment	18,557,583	1,013,447	-	19,571,030
Infrastructure	31,640,054	-	-	31,640,054
Other improvements	573,795	112,626	-	686,421
	<u>80,137,063</u>	<u>1,206,897</u>	<u>-</u>	<u>81,343,960</u>
Less accumulated depreciation:				
Buildings and improvements	7,706,166	886,310	-	8,592,476
Equipment	10,764,260	1,370,683	-	12,134,943
Infrastructure	24,153,038	787,839	-	24,940,877
Other improvements	108,622	23,317	-	131,939
	<u>42,732,086</u>	<u>3,068,149</u>	<u>-</u>	<u>45,800,235</u>
Total capital assets, net of depreciation	<u>\$ 39,479,045</u>	<u>\$ (736,529)</u>	<u>\$ -</u>	<u>\$ 38,742,516</u>

Depreciation expense for the year ended June 30, 2016 was charged to the functions of the governmental activities as follows:

General Government	\$ 578,462
Public Safety	731,851
Public Works	804,165
Health and Welfare	953,671
Total	<u>\$ 3,068,149</u>

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 6. Capital Assets (continued)

The following is a summary of capital assets and changes for Agency funds occurring during the year ended June 30, 2016.

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Agency activities:				
Capital assets being depreciated:				
Equipment	\$ -	\$ 32,789	\$ -	\$ 32,789
Total capital assets being depreciated	-	32,789	-	32,789
Less accumulated depreciation:				
Equipment	-	-	-	-
Total capital assets, net of depreciation	<u>\$ -</u>	<u>\$ 32,789</u>	<u>\$ -</u>	<u>\$ 32,789</u>

NOTE 7. Long-term Debt

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

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due Within</u> <u>One Year</u>
Gross Receipts Revenue Bonds	\$ 2,495,000	\$ -	\$ 175,000	\$ 2,320,000	\$ 180,000
NMFA Loans	2,389,041	-	267,788	2,121,253	193,285
Compensated Absences	257,080	211,661	265,332	203,409	203,409
Total long-term debt	<u>\$ 5,141,121</u>	<u>\$ 211,661</u>	<u>\$ 708,120</u>	<u>\$ 4,644,662</u>	<u>\$ 576,694</u>

Gross Receipts Revenue Bonds

Bonds outstanding at June 30, 2016 consisted of the following:

Gross Receipts Tax Revenue Bond – 5/30/2002 issue	
Original issue	\$3,005,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2027
Interest rates from 2.00% to 4.00%	

STATE OF NEW MEXICO
 Lincoln County
 Notes to the Financial Statements
 June 30, 2016

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize the Bonds Payable as of June 30, 2016, including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2017	\$ 180,000	\$ 87,150	\$ 267,150
2018	190,000	81,750	271,750
2019	195,000	76,050	271,050
2020	200,000	70,200	270,200
2021	205,000	62,200	267,200
2022-2026	1,170,000	180,000	1,350,000
2027	180,000	7,200	187,200
	<u>\$ 2,320,000</u>	<u>\$ 564,550</u>	<u>\$ 2,884,550</u>

Gross Receipts Revenue Bonds have been liquidated by the 1st 1/8 GRT Income Debt Service Fund in prior years.

Loans

The County has entered into several loan agreements with the New Mexico Finance Authority, wherein the County pledged revenue derived from New Mexico Fire Protection Allotments to cover debt service. This revenue is subject to intercept agreements. The NMFA loans are as follows:

NMFA Loans:

<u>Description</u>	<u>Date of</u> <u>Issue</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Amount</u> <u>of Issue</u>	<u>Balance</u> <u>June 30, 2016</u>
NMFA Loan	Dec-08	May-19	0%	\$ 121,800	\$ 36,540
NMFA Loan	Dec-08	May-19	2.13-3.94%	225,933	72,817
NMFA Loan	Dec-08	May-19	1.62-3.80%	205,315	66,661
NMFA Loan	Sep-09	May-20	1.03-3.78%	203,000	87,488
NMFA Loan	Oct-10	May-25	0.40-3.59%	2,819,028	1,640,399
NMFA Loan	Jan-12	May-22	1.87%	243,600	149,896
NMFA Loan	Jan-12	May-22	1.87%	109,620	67,452
Total NMFA Loans					<u>\$ 2,121,253</u>

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize the Loans and Capital Leases Payable as of June 30, 2016, including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2017	\$ 193,285	\$ 62,589	\$ 255,874
2018	197,107	58,765	255,872
2019	201,367	54,506	255,873
2020	145,027	49,782	194,809
2021	125,048	45,898	170,946
2022-2025	<u>1,259,419</u>	<u>141,742</u>	<u>1,401,161</u>
	<u>\$ 2,121,253</u>	<u>\$ 413,282</u>	<u>\$ 2,534,535</u>

Loans and capital leases have been liquidated by the Fire and Road Special Revenue Funds in prior years.

Compensated Absences – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2016, compensated absences decreased \$53,671 from the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities.

NOTE 8. Operating Leases

The County leases equipment under operating leases expiring during the next five years. Although renewal and purchase options are available on these leases, the County considers these to be operating leases as they contain a non-appropriation termination clause.

At June 30, 2016, future minimum lease payments applicable to the operating leases are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2017	\$ 187,413
2018	187,413
2019	159,980
2020	<u>62,850</u>
	<u>\$ 597,656</u>

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 9. Risk Management

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

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

NOTE 10. Other Required Individual Fund Disclosures

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

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

Nonmajor Funds

Agreements Special Revenue Fund	<u>\$ (4,425)</u>
---------------------------------	-------------------

The County incurred more expenditures than revenue received in these funds in the current year. The County anticipates this fund balance will not be in a deficit state in subsequent years.

- B. Excess of expenditures over appropriations. There were not any funds with expenditures in excess of the budgeted appropriations.
- C. Designated cash appropriations in excess of available balances. There were not any funds that exceeded approved budgetary authority for the year ended June 30, 2016.

NOTE 11. Pension Plan – Public Employees Retirement Association

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

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 11. Pension Plan – Public Employees Retirement Association (continued)

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

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2015 available at [5http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf).

Contributions. The contribution requirements of defined benefit plan members and Lincoln 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 Lincoln County are Municipal General Division and Municipal Police Division. Statutorily required contributions to the pension plan from Lincoln County were \$495,347 and there were \$26,597 of employer paid member benefits that were “picked up” by the employer for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2015.

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

Employer Pickup: During March 2016, Governmental Accounting Standards Board (GASB) issued Statement No. 82, Pension Issues, which clarifies that payments made by an employer to satisfy member contribution requirements should be classified as member contributions for purposes of GASB Statement No. 67. For purposes of applying GASBS 68 for fiscal year ending June 30, 2016 the County did not have any amounts that that were considered employer pickup.

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 11. Pension Plan – Public Employees Retirement Association (continued)

Reallocation of Deferred Amounts Due to Changes in proportion: In fiscal year 2015 the beginning deferred inflows and outflows were reclassified due to the employer’s change in proportion for fiscal year 2015. The total reallocation of deferred inflows and outflows increased pension expense by \$123,650 for fiscal year ending June 30, 2016. This amount is not included in pension expense in PERA’s Schedule of Employer Pension Amounts for the year ended June 30, 2015.

For PERA Fund Municipal General Division, at June 30, 2016, Lincoln County reported a liability of \$3,550,201 for its proportionate share of the net pension liability. At June 30, 2015, Lincoln County’s proportion was 0.3482 percent, which was an increase of 0.0241 from year ended June 30, 2014.

For the year ended June 30, 2016, Lincoln County recognized PERA Fund Municipal General Division pension expense of \$180,304. At June 30, 2016, Lincoln County reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes of assumptions	\$ -	\$ 1,383
Net difference between projected and actual earnings on pension plan investments	-	11,230
Changes in proportion	143,560	-
Differences between expected and actual experience	-	78,639
County’s contributions subsequent to the measurement date	238,455	-
Total	\$ 382,015	\$ 91,252

For Municipal General, \$238,455 reported as deferred outflows of resources related to pensions resulting from Lincoln 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 inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2017	\$ (49,585)
2018	(49,585)
2019	(49,585)
2020	201,063
2021	-
Thereafter	-

For PERA Fund Municipal Police Division, at June 30, 2016, Lincoln County reported a liability of \$2,786,080 for its proportionate share of the net pension liability. At June 30, 2015, Lincoln County’s proportion was 0.5794 percent, which was a decrease of .0339 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, Lincoln County recognized PERA Fund Municipal Police Division pension expense of \$210,623. At June 30, 2016, Lincoln County reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

STATE OF NEW MEXICO
 Lincoln County
 Notes to the Financial Statements
 June 30, 2016

NOTE 11. Pension Plan – Public Employees Retirement Association (continued)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes of assumptions	\$ -	\$ 115,266
Net difference between projected and actual earnings on pension plan investments	-	7,728
Changes in proportion	84,385	-
Differences between expected and actual experience	194,680	-
County's contributions subsequent to the measurement date	254,984	-
Total	\$ 534,049	\$ 122,994

\$254,984 reported as deferred outflows of resources related to pensions resulting from Lincoln 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 inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2017	\$ 2,402
2018	2,402
2019	2,402
2020	148,865
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, 2014 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the PERA's Board of Trustees for use in the June 30, 2014, actuarial valuation.

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

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 11. Pension Plan – Public Employees Retirement Association (continued)

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

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	21.10%	5.00%
International Equity	24.80	5.20
Private Equity	7.00	8.20
Core and Global Fixed Income	26.10	1.85
Fixed Income Plus Sectors	5.00	4.80
Real Estate	5.00	5.30
Real Assets	7.00	5.70
Absolute Return	4.00	4.15
Total	100.00%	

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
PERA Fund Municipal General Division			
County's proportionate share of the net pension liability	\$ 6,044,583	\$ 3,550,201	\$ 1,476,291
PERA Fund Municipal Police Division			
County's proportionate share of the net pension liability	\$ 4,601,043	\$ 2,786,080	\$ 1,297,196

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 11. Pension Plan – Public Employees Retirement Association (continued)

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

Payables to the pension plan. At June 30, 2016 there were no contributions due and payable to PERA for the County.

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

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

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

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

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

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

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee’s annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2016, the statute required each participating employer to 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.

Lincoln County’s contributions to the RHCA for the years ended June 30, 2016, 2015, and 2014 were \$86,381, \$190,672, and \$116,887, respectively which equal the required contributions for each year.

NOTE 13. Joint Powers Agreements

Solid Waste Collection Services

Participants	Lincoln County Lincoln County Solid Waste Authority
Responsible party	Lincoln County Lincoln County Solid Waste Authority
Description	The Lincoln County Solid Waste Authority has the exclusive rights, licensee, and privilege to provide solid waste collection, removal and disposal services of materials for the County of Lincoln. The County will pay a monthly fee based on collections.
Term of agreement	May 16, 2006 until cancelled
Amount of project	Unknown
County contributions	Unknown
Audit responsibility	Lincoln County

STATE OF NEW MEXICO
 Lincoln County
 Notes to the Financial Statements
 June 30, 2016

NOTE 13. Joint Powers Agreements (continued)

Otero/Lincoln County Regional Landfill

Participants	Otero County City of Alamogordo Village of Cloudcroft Village of Tularosa Village of Corona	Lincoln County Town of Carrizozo Village of Capitan Village of Ruidoso Village of Ruidoso Downs
Responsible party	City of Alamogordo	
Description	To establish, finance and operate the Otero/Lincoln County Regional landfill.	
Terms of agreement	Perpetual	
Amount of project	Unknown	
County contributions	100% of Environmental Services Gross Receipts Tax	
Audit responsibility	City of Alamogordo	

NOTE 14. Contingent Liabilities

The County is party to various claims and lawsuits arising in the normal course of business. The County is insured through the New Mexico County Insurance Authority. In the opinion of management, the outcome of these matters will not have a material effect on the financial position of the County.

NOTE 15. Commitments

The County's commitments as of June 30, 2016 are as follows:

<u>Contract</u>	<u>Year Ending</u>	<u>Amount</u>
Carrizozo Senior Center	2017	\$ 502,118
Loma Grande Substation	2017	15,949
Hondo VFD Station	2017	31,735
Total commitments		<u>\$ 549,802</u>

In addition, the County is engaged in a four year management contract for the Detention Center with the following remaining commitments per year of the contract:

Emerald Correctional Management, LLC		
Year 4 (per inmate per day)	2017	\$ 58
Year 5 (per inmate per day)	2018	59

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 16. Special Assessment District

In a prior year, the County approved a special assessment district for the residents of Deer Park in which the County agreed that they would pave streets for the residents of Deer Park and each property owner of the area would pay their portion of the cost. The County obtained an NMFA loan in the amount of \$2,819,028 in order to pay for the project up front and the Residents are to payback the County, in installment payments. In accordance with GASB Statement No. 33, in the fund financial statements, the County has recognized the balance of the receivable, \$1,055,074, and has reclassified \$515,332 as deferred inflows of resources as it was not collected within the period of availability. The deferred inflow of resources portion was recognized as revenue in the government-wide financial statements.

NOTE 17. Restricted Net Position

The government-wide statement of net position reports \$12,461,850 of restricted assets, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, debt service and capital project funds, see pages 45-46 and 82-85.

NOTE 18. Subsequent Events

The date to which events occurring after June 30, 2016, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is October 24, 2016 which is the date on which the financial statements were issued.

NOTE 19. Concentrations

The County depends on financial resources flowing from, or associated with, property taxes, gross receipts taxes, the Federal Government and the State of New Mexico. Because of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State Appropriations; changes in gross receipts tax rates, collections, tourism, and property values.

NOTE 20. Subsequent Pronouncements

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

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

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

STATE OF NEW MEXICO
Lincoln County
Notes to the Financial Statements
June 30, 2016

NOTE 20. Subsequent Pronouncements (continued)

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

In December 2015, GASB Statement No. 78 *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plan* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

In January 2016, GASB Statement No. 80 *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

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

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO

Lincoln County

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

Schedule I
Page 1 of 2

	2016 Measurement Date (As of and for the Year Ended June 30, 2015)	2015 Measurement Date (As of and for the Year Ended June 30, 2014)
Lincoln County's proportion of the net pension liability	0.3482%	0.3241%
Lincoln County's proportionate share of the net pension liability	\$ 3,550,201	\$ 2,528,328
Lincoln County's covered-employee payroll	\$ 2,766,283	\$ 2,630,741
Lincoln County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	128.34%	96.11%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%

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

See Independent Auditors' Report.
See notes to required supplementary information.

STATE OF NEW MEXICO

Lincoln County

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

	2016 Measurement Date (As of and for the Year Ended June 30, 2015)	2015 Measurement Date (As of and for the Year Ended June 30, 2014)
Lincoln County's proportion of the net pension liability	0.5794%	0.5455%
Lincoln County's proportionate share of the net pension liability	\$ 2,786,080	\$ 1,778,271
Lincoln County's covered-employee payroll	\$ 1,095,006	\$ 1,057,979
Lincoln County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	254.44%	168.08%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%

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

See Independent Auditors' Report.
See notes to required supplementary information.

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

	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
Contractually required contribution	\$ 273,630	\$ 231,104
Contributions in relation to the contractually required contribution	(273,630)	(231,104)
Contribution deficiency (excess)	\$ -	\$ -
Lincoln County's covered-employee payroll	\$ 2,865,231	\$ 2,766,283
Contributions as a percentage of covered-employee payroll	9.55%	8.35%

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

See Independent Auditors' Report.
 See notes to required supplementary information.

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

	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
Contractually required contribution	\$ 219,809	\$ 239,499
Contributions in relation to the contractually required contribution	(219,809)	(239,499)
Contribution deficiency (excess)	\$ -	\$ -
Lincoln County's covered-employee payroll	\$ 1,163,012	\$ 1,095,006
Contributions as a percentage of covered-employee payroll	18.90%	21.87%

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

See Independent Auditors' Report.
 See notes to required supplementary information.

STATE OF NEW MEXICO
Lincoln County
Notes to Required Supplementary Information
For the Year Ended 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 FY15 audit available at: http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf.

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

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

See Independent Auditors' Report.
See notes to required supplementary information.

SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
Lincoln County
Nonmajor Governmental Funds
June 30, 2016

Special Revenue Funds

Special Programs Special Revenue Fund – To account for the County’s support of their community service programs, activities, and events. Authority for creation of the fund is the County Commission at budget adoption and approval.

Clerk’s Equipment Special Revenue Fund – To account for revenues and expenditures for control of equipment. The fees collected are restricted in that they may only be used for the purchase of equipment associated with the recording, filing, maintaining, or reproducing of documents in the Office of the County Clerk. This fund was created by authority of state statute (see Section 14-8-2.2, NMSA 1978 Compilation).

Cell Tower Special Revenue Fund – To account for funds received from a wireless communication applicant sufficient to reimburse the County for all reasonable costs of consultant and expert evaluation to the applicant and consultation to the County. The funds can be used only for consultant reimbursement. Authority for creation of the fund is the County Commission at budget adoption and approval.

Agreements Special Revenue Fund – To account for funds transferred from the general fund to pay for agreements and contracts that the County has with other entities. Authority for creation of the fund is the County Commission at budget adoption and approval.

Gas Tax Special Revenue Fund – To account for the collection and use of the gas tax to construct and maintain streets, roads, bridges, and other projects. Funding Authority is Section 7-1-6.26 NMSA, 1978.

Predatory Animal Control Special Revenue Fund – To account for the management of the County’s population of predatory animals. Financing is provided by specific annual tax levy on livestock restricted by Taylor Grazing Act (Section 6-11-5, NMSA 1978).

Fire Special Revenue Fund – To account for revenues and expenditures of fire protection funds for the communities of Bonita, Hondo, Fort Stanton, Lincoln, Nogal, Glencoe-Palo Verde, White Oaks, and Arabela. Funding is provided by allotments from the New Mexico State Fire Marshall’s Office. The funds were created under the authority of state statute (see Section 59A-93-5-8 and 59A-53-5, NMSA 1978 Compilation).

Forest Reserve Special Revenue Fund – To account for funds appropriated to the County for forest health by the federal government. Authority is Section 6-11-3 NMSA, 1978.

Lodgers’ Tax Special Revenue Fund – To account for the county-wide lodgers’ tax collected by the County. Expenditures are limited to promotion of tourism in the County. Authority is Section 3-38-17.1 NMSA 1978.

Drug Enforcement Grant Special Revenue Fund – To account for a special grant from the New Mexico Department of Public Safety for drug enforcement purposes as specified in Section 19-13-1 NMSA 1978.

Homeland Security Grant Special Revenue Fund – To account for funds appropriated to the County for Homeland Security by the federal government authority. Authority is grants received for Educational Outreach by Department of Homeland.

Sheriff’s Seizure Special Revenue Fund – In accordance with NMSA Section 54-11-33, the sheriff’s covert investigative activity account is funded by formal court awarded forfeitures for such purposes.

STATE OF NEW MEXICO
Lincoln County
Nonmajor Governmental Funds
June 30, 2016

Special Revenue Funds (continued)

Reappraisal Special Revenue Fund – To account for funds used to provide valuation services to the County and other local entities. This fund was created by authority of state statute (see Section 7-38-38.1, NMSA 1978 Compilation).

Emergency Medical Services Special Revenue Fund – To account for a special grant from the state of New Mexico for purchasing basic medical equipment for the Bonito Fire Department. Authority is a grant from the State of New Mexico.

Rural Health Clinic Special Revenue Fund – To account for gross receipts taxes collected to be used for the health and welfare of the County's citizens. Authority is a local ordinance authorized by Section 7-20E-17, NMSA, 1978.

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

Senior Citizen's Special Revenue Fund – To account for the operations of the Senior Center funded by the Eastern NM Area Agency of Aging, including fund raising activities, and the County's contribution. Authorized by New Mexico State Chapter 354, NMSA 1978.

Environmental Gross Receipts Special Revenue Fund – To account for a gross receipts tax imposed to fund environmental activities, mainly sanitary landfills, water systems and environmental services. Authority is local ordinance authorized by NMSA 1978 7-20E-17. In January 2015 the County began using this fund to account for fees generated from charges for trash collection. Restricted by State statute Section 7-20E-17, NMSA 1978 and Solid Waste restricted by County Ordinance 2014-07.

Enhanced 911 Special Revenue Fund – To account for a special grant from the New Mexico Department of Public Safety for enhancing the emergency 911 system. Authority is section 63-9D-1, "Enhanced 911 Act", NMSA 1978.

Forest Health Special Revenue Fund – To account for funds appropriated to the County for forest health by the federal government. The authority for this fund is the Cooperative Forestry Assistance Act of 1998, Public Law 95-313.

Misdemeanor Compliance Special Revenue Fund – To account for funds awarded to the County by the authority of the New Mexico Department of Public Safety. The authority for this fund is established at 31-20-5.1 NMSA 1978.

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

Juvenile Justice Grant Special Revenue Fund – To account for grant funds received from Children, Youth and Family Department to provide a community corrections program and service for the diversion of adjudicated delinquents to community-based settings. Authority for creation is Juvenile Community Corrections Act, Section 33-9a-1 to 33-9a-6 NMSA 1978.

HIDTA Partnership Special Revenue Fund – To account for a grant from the National Office of Drug Control Policy utilized in high intensity drug trafficking areas. Authority for creation is contained in Anti-drug Abuse Act of 1988. Public Law 100-690.

(This page intentionally left blank.)

STATE OF NEW MEXICO
Lincoln County
Nonmajor Governmental Funds
June 30, 2016

Debt Service Funds

1st 1/8 GRT Reserve Debt Service Fund – To account for 1/8th cent of the proceeds from “first one-eighth increment” gross receipts tax imposed by the County for debt service reserve amounts per bond covenants and under NMSA 7-20E-11. Authority for creation of the fund is by County Commission Ordinance 1999-06 and the County Commission budget adoption and approval.

1st 1/8 GRT Income Debt Service Fund – To account for 1/8th cent of the proceeds from “first one-eighth increment” gross receipts tax imposed by the County under NMSA 7-20E-11. Authority for creation of the fund is by County Commission Ordinance 1999-06 and the County Commission budget adoption and approval.

1st 1/8 GRT Debt Reserve Debt Service Fund – To account for 1/8th cent of the proceeds from “first one-eighth increment” gross receipts tax imposed by the County under NMSA 7-20E-11. To account for funds accumulated to make debt service principal and interest payments on bonds owed by the County. Authority for creation of the fund is by County Commission Ordinance 1999-06 and the County Commission budget adoption and approval.

Deer Park Special Assessment Income Debt Service Fund – To account for the debt expenditures made by the County and the related payments made by the property owners in Deer Park in which the County is offering special paving services as part of a special assessment district. Authority for the creation of the fund is by County Commission Ordinance 2010-12 and the County budget adoption and approval.

Capital Projects Funds

The Capital Improvement Capital Projects Fund – To account for the capital expenditures made by the County to acquire vehicles and make renovations to existing County facilities. Authority for creation of the fund is by County Commission budget adoption and approval.

Legislative Appropriation Special Revenue Fund – To account for funds received from the Legislature for special projects. This fund was created by authority of NMSA 1978, Sections 4-38-13 and 4-38-16.

CDBG Grant Special Revenue Fund – To account for a Community Development Block Grant from the State of New Mexico and the Department of Housing and Urban Development to develop viable urban communities by providing decent housing and suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. This program is authorized under Title I of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq.

STATE OF NEW MEXICO
Lincoln County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

Special Revenue

	<u>Special Programs</u>	<u>Clerk's Equipment</u>	<u>Cell Tower</u>	<u>Agreements</u>
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 203,400	\$ -	\$ -
Investments	-	-	-	-
Current receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables, net	-	126	-	-
Special assessment	-	-	-	-
Noncurrent receivables - special assessment	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 203,526</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 96	\$ -	\$ 4,425
Accrued payroll	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>96</u>	<u>-</u>	<u>4,425</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue:				
Property taxes	-	-	-	-
Special assessment	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	203,430	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Senior center	-	-	-	-
Deer park special assessment district	-	-	-	-
Capital improvements	-	-	-	-
Debt service expenditures	-	-	-	-
Unassigned	-	-	-	(4,425)
<i>Total fund balances</i>	<u>-</u>	<u>203,430</u>	<u>-</u>	<u>(4,425)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 203,526</u>	<u>\$ -</u>	<u>\$ -</u>

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

Special Revenue

<u>Gas Tax</u>	<u>Predatory Animal Control</u>	<u>Fire</u>	<u>Forest Reserve</u>	<u>Lodgers' Tax</u>
\$ 68,633	\$ 6,624	\$ 1,069,703	\$ -	\$ 48,519
-	-	-	-	-
-	1,134	-	-	-
15,772	-	-	-	5,899
-	-	3,777	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 84,405</u>	<u>\$ 7,758</u>	<u>\$ 1,073,480</u>	<u>\$ -</u>	<u>\$ 54,418</u>
\$ 4,315	\$ -	\$ 3,328	\$ -	\$ -
-	-	-	-	-
<u>4,315</u>	<u>-</u>	<u>3,328</u>	<u>-</u>	<u>-</u>
-	1,092	-	-	-
-	-	-	-	-
<u>-</u>	<u>1,092</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
80,090	-	-	-	-
-	-	1,070,152	-	-
-	-	-	-	-
-	-	-	-	54,418
-	-	-	-	-
-	6,666	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>80,090</u>	<u>6,666</u>	<u>1,070,152</u>	<u>-</u>	<u>54,418</u>
<u>\$ 84,405</u>	<u>\$ 7,758</u>	<u>\$ 1,073,480</u>	<u>\$ -</u>	<u>\$ 54,418</u>

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

STATE OF NEW MEXICO
Lincoln County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

	Special Revenue			
	Drug Enforcement Grant	Homeland Security Grant	Sheriff's Seizure	Reappraisal
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 33,003	\$ 1,089	\$ 219,957
Investments	-	-	-	-
Current receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables, net	-	-	-	100
Special assessment	-	-	-	-
Noncurrent receivables - special assessment	-	-	-	-
<i>Total assets</i>	\$ -	\$ 33,003	\$ 1,089	\$ 220,057
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 485
Accrued payroll	-	-	-	15,047
<i>Total liabilities</i>	-	-	-	15,532
<i>Deferred inflows of resources</i>				
Unavailable revenue:				
Property taxes	-	-	-	-
Special assessment	-	-	-	-
<i>Total deferred inflows of resources</i>	-	-	-	-
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	204,525
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	-	33,003	1,089	-
Health and welfare	-	-	-	-
Senior center	-	-	-	-
Deer park special assessment district	-	-	-	-
Capital improvements	-	-	-	-
Debt service expenditures	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	-	33,003	1,089	204,525
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	\$ -	\$ 33,003	\$ 1,089	\$ 220,057

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

Special Revenue

Emergency Medical Services	Rural Health Clinic	Law Enforcement Protection	Senior Citizen's	Environmental Gross Receipts
\$ 25,216	\$ 655,953	\$ 2,360	\$ 104,421	\$ 137,650
-	10,003	-	-	-
-	50,045	-	-	-
-	-	-	-	22,695
-	-	32,000	32,655	101,049
-	-	-	-	-
-	-	-	-	-
<u>\$ 25,216</u>	<u>\$ 716,001</u>	<u>\$ 34,360</u>	<u>\$ 137,076</u>	<u>\$ 261,394</u>
\$ -	\$ -	\$ -	\$ 4,952	\$ 83,937
-	-	-	22,564	-
-	-	-	27,516	83,937
-	37,827	-	-	-
-	-	-	-	-
-	37,827	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
25,216	-	34,360	-	-
-	678,174	-	-	177,457
-	-	-	109,560	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>25,216</u>	<u>678,174</u>	<u>34,360</u>	<u>109,560</u>	<u>177,457</u>
<u>\$ 25,216</u>	<u>\$ 716,001</u>	<u>\$ 34,360</u>	<u>\$ 137,076</u>	<u>\$ 261,394</u>

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

STATE OF NEW MEXICO
Lincoln County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

Special Revenue

	Enhanced 911	Forest Health	Misdemeanor Compliance	Indigent Health Care
<i>Assets</i>				
Cash and cash equivalents	\$ 335	\$ 170,346	\$ -	\$ 913,267
Investments	-	-	-	-
Current receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	108,238
Other receivables, net	-	21,807	-	6,881
Special assessment	-	-	-	-
Noncurrent receivables - special assessment	-	-	-	-
Total assets	\$ 335	\$ 192,153	\$ -	\$ 1,028,386
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 19,557
Accrued payroll	-	-	-	2,661
Total liabilities	-	-	-	22,218
<i>Deferred inflows of resources</i>				
Unavailable revenue:				
Property taxes	-	-	-	-
Special assessment	-	-	-	-
Total deferred inflows of resources	-	-	-	-
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Forest health	-	192,153	-	-
Tourism	-	-	-	-
Public safety	335	-	-	-
Health and welfare	-	-	-	1,006,168
Senior center	-	-	-	-
Deer park special assessment district	-	-	-	-
Capital improvements	-	-	-	-
Debt service expenditures	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	335	192,153	-	1,006,168
Total liabilities, deferred inflows of resources, and fund balances	\$ 335	\$ 192,153	\$ -	\$ 1,028,386

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

Special Revenue		Debt Service		
Juvenile Justice Grant	HIDTA Partnership	1st 1/8 GRT Reserve	1st 1/8 GRT Income	1st 1/8 GRT Debt Reserve
\$ -	\$ -	\$ 171,039	\$ -	\$ -
-	-	-	-	279,400
-	-	-	-	-
-	-	-	108,238	-
19,822	3,710	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 19,822</u>	<u>\$ 3,710</u>	<u>\$ 171,039</u>	<u>\$ 108,238</u>	<u>\$ 279,400</u>
\$ 17,976	\$ 630	\$ -	\$ -	\$ -
-	1,422	-	-	-
<u>17,976</u>	<u>2,052</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,846	1,658	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	171,039	108,238	279,400
-	-	-	-	-
<u>1,846</u>	<u>1,658</u>	<u>171,039</u>	<u>108,238</u>	<u>279,400</u>
<u>\$ 19,822</u>	<u>\$ 3,710</u>	<u>\$ 171,039</u>	<u>\$ 108,238</u>	<u>\$ 279,400</u>

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

STATE OF NEW MEXICO
Lincoln County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

	Debt Service	Capital Projects		
	Deer Park Special Assessment Income	Capital Improvements	Legislative Appropriation	CDBG Grant
<i>Assets</i>				
Cash and cash equivalents	\$ 724,922	\$ -	\$ -	\$ -
Investments	-	-	-	-
Current receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables, net	-	-	281,528	247,429
Special assessment	100,000	-	-	-
Noncurrent receivables - special assessment	439,742	-	-	-
Total assets	\$ 1,264,664	\$ -	\$ 281,528	\$ 247,429
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 4,636	\$ 90,947
Accrued payroll	-	-	-	-
Total liabilities	-	-	4,636	90,947
<i>Deferred inflows of resources</i>				
Unavailable revenue:				
Property taxes	-	-	-	-
Special assessment	515,332	-	-	-
Total deferred inflows of resources	515,332	-	-	-
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Senior center	-	-	-	-
Deer park special assessment district	749,332	-	-	-
Capital improvements	-	-	276,892	156,482
Debt service expenditures	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	749,332	-	276,892	156,482
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,264,664	\$ -	\$ 281,528	\$ 247,429

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

Total Nonmajor Governmental Funds	
\$	4,556,437
	289,403
	51,179
	260,842
	750,884
	100,000
	439,742
	<u>439,742</u>
\$	<u>6,448,487</u>
\$	235,284
	41,694
	<u>276,978</u>
	38,919
	<u>515,332</u>
	<u>554,251</u>
	407,955
	80,090
	1,070,152
	192,153
	54,418
	97,507
	1,868,465
	109,560
	749,332
	433,374
	558,677
	(4,425)
	<u>5,617,258</u>
\$	<u>6,448,487</u>

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

STATE OF NEW MEXICO
Lincoln County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Special Revenue			
	Special Programs	Clerk's Equipment	Cell Tower	Agreements
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	50,243	-	48,500
Investment income	-	448	-	-
Special assessment	-	-	-	-
Special assessment - interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>50,691</u>	<u>-</u>	<u>48,500</u>
<i>Expenditures</i>				
Current:				
General government	-	25,897	-	222,017
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	34,760	-	-	-
Health and welfare	36,050	-	-	-
Capital outlay	-	5,143	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>70,810</u>	<u>31,040</u>	<u>-</u>	<u>222,017</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(70,810)</u>	<u>19,651</u>	<u>-</u>	<u>(173,517)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of equipment	-	-	-	-
Transfers in	69,939	-	-	188,550
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>69,939</u>	<u>-</u>	<u>-</u>	<u>188,550</u>
<i>Net change in fund balances</i>	(871)	19,651	-	15,033
<i>Fund balances - beginning of year</i>	871	183,779	-	(19,458)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 203,430</u>	<u>\$ -</u>	<u>\$ (4,425)</u>

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

Special Revenue

<u>Gas Tax</u>	<u>Predatory Animal Control</u>	<u>Fire</u>	<u>Forest Reserve</u>	<u>Lodgers' Tax</u>
\$ -	\$ 23,681	\$ -	\$ -	\$ -
-	-	-	-	-
195,184	-	-	-	-
-	-	-	-	49,264
-	36,679	-	21,981	-
-	-	-	-	-
-	-	879,460	-	-
-	-	-	-	-
-	-	3,444	-	101
-	-	-	-	-
-	-	-	-	-
-	-	1,726	-	-
<u>195,184</u>	<u>60,360</u>	<u>884,630</u>	<u>21,981</u>	<u>49,365</u>
-	-	-	-	45,138
-	-	313,419	-	-
150,734	-	-	-	-
-	-	-	-	-
-	91,500	-	40,000	-
-	-	134,295	-	-
-	-	62,330	-	-
-	-	-	-	-
<u>150,734</u>	<u>91,500</u>	<u>510,044</u>	<u>40,000</u>	<u>45,138</u>
<u>44,450</u>	<u>(31,140)</u>	<u>374,586</u>	<u>(18,019)</u>	<u>4,227</u>
-	-	-	-	-
-	40,208	-	5,793	-
-	-	(140,203)	-	-
-	40,208	(140,203)	5,793	-
44,450	9,068	234,383	(12,226)	4,227
35,640	(2,402)	835,769	12,226	50,191
<u>\$ 80,090</u>	<u>\$ 6,666</u>	<u>\$ 1,070,152</u>	<u>\$ -</u>	<u>\$ 54,418</u>

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

STATE OF NEW MEXICO
Lincoln County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Special Revenue			
	Drug Enforcement Grant	Homeland Security Grant	Sheriff's Seizure	Reappraisal
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	22,102	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	279,948
Investment income	-	-	2	-
Special assessment	-	-	-	-
Special assessment - interest	-	-	-	-
Miscellaneous	-	-	50	5,010
Total revenues	-	22,102	52	284,958
<i>Expenditures</i>				
Current:				
General government	-	-	-	326,599
Public safety	-	1,221	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	22,102	-	114,004
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	23,323	-	440,603
<i>Excess (deficiency) of revenues over expenditures</i>	-	(1,221)	52	(155,645)
<i>Other financing sources (uses)</i>				
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
<i>Net change in fund balances</i>	-	(1,221)	52	(155,645)
<i>Fund balances - beginning of year</i>	-	34,224	1,037	360,170
Fund balances - end of year	\$ -	\$ 33,003	\$ 1,089	\$ 204,525

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

Special Revenue

<u>Emergency Medical Services</u>	<u>Rural Health Clinic</u>	<u>Law Enforcement Protection</u>	<u>Senior Citizen's</u>	<u>Environmental Gross Receipts</u>
\$ -	\$ 709,541	\$ -	\$ -	\$ -
-	-	-	-	144,784
-	-	-	-	-
-	-	-	-	-
-	-	-	128,969	-
-	-	-	-	-
45,280	-	32,000	403,873	-
-	-	-	-	-
-	-	-	98,895	942,649
-	1,147	-	-	-
-	-	-	-	-
-	-	-	-	-
241	-	-	468	160
<u>45,521</u>	<u>710,688</u>	<u>32,000</u>	<u>632,205</u>	<u>1,087,593</u>
-	-	-	-	-
24,199	-	32,909	-	-
-	-	-	-	-
-	-	-	-	-
-	551,697	-	748,266	1,390,732
-	5,798	-	-	385,050
-	-	-	-	-
-	-	-	-	-
<u>24,199</u>	<u>557,495</u>	<u>32,909</u>	<u>748,266</u>	<u>1,775,782</u>
<u>21,322</u>	<u>153,193</u>	<u>(909)</u>	<u>(116,061)</u>	<u>(688,189)</u>
4,260	279	-	-	-
-	-	-	122,818	903,077
-	-	-	-	-
<u>4,260</u>	<u>279</u>	<u>-</u>	<u>122,818</u>	<u>903,077</u>
25,582	153,472	(909)	6,757	214,888
(366)	524,702	35,269	102,803	(37,431)
<u>\$ 25,216</u>	<u>\$ 678,174</u>	<u>\$ 34,360</u>	<u>\$ 109,560</u>	<u>\$ 177,457</u>

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

STATE OF NEW MEXICO
Lincoln County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Special Revenue			
	Enhanced 911	Forest Health	Misdemeanor Compliance	Indigent Health Care
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	654,518
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	1,310	108,950	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	114,805	-
Investment income	-	-	-	-
Special assessment	-	-	-	-
Special assessment - interest	-	-	-	-
Miscellaneous	-	-	-	12,013
<i>Total revenues</i>	<u>1,310</u>	<u>108,950</u>	<u>114,805</u>	<u>666,531</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	2,049	-	114,805	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	106,969	-	673,454
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,049</u>	<u>106,969</u>	<u>114,805</u>	<u>673,454</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(739)</u>	<u>1,981</u>	<u>-</u>	<u>(6,923)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	11,716
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,716</u>
<i>Net change in fund balances</i>	<u>(739)</u>	<u>1,981</u>	<u>-</u>	<u>4,793</u>
<i>Fund balances - beginning of year</i>	<u>1,074</u>	<u>190,172</u>	<u>-</u>	<u>1,001,375</u>
<i>Fund balances - end of year</i>	<u>\$ 335</u>	<u>\$ 192,153</u>	<u>\$ -</u>	<u>\$ 1,006,168</u>

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

Special Revenue		Debt Service		
Juvenile Justice Grant	HIDTA Partnership	1st 1/8 GRT Reserve	1st 1/8 GRT Income	1st 1/8 GRT Debt Reserve
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	654,518	-
-	-	-	-	-
-	-	-	-	-
-	72,157	-	-	-
-	-	-	-	-
80,074	-	-	-	-
-	-	-	-	-
-	-	-	-	3,913
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>80,074</u>	<u>72,157</u>	<u>-</u>	<u>654,518</u>	<u>3,913</u>
-	-	-	-	-
162,936	87,455	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	175,000	205,458
-	-	-	92,400	66,636
<u>162,936</u>	<u>87,455</u>	<u>-</u>	<u>267,400</u>	<u>272,094</u>
<u>(82,862)</u>	<u>(15,298)</u>	<u>-</u>	<u>387,118</u>	<u>(268,181)</u>
-	-	-	-	-
78,885	967	390,770	-	272,094
-	-	(377,601)	(390,770)	-
<u>78,885</u>	<u>967</u>	<u>13,169</u>	<u>(390,770)</u>	<u>272,094</u>
(3,977)	(14,331)	13,169	(3,652)	3,913
5,823	15,989	157,870	111,890	275,487
<u>\$ 1,846</u>	<u>\$ 1,658</u>	<u>\$ 171,039</u>	<u>\$ 108,238</u>	<u>\$ 279,400</u>

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

STATE OF NEW MEXICO
Lincoln County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Debt Service	Capital Projects		
	Deer Park Special Assessment Income	Capital Improvements	Legislative Appropriation	CDBG Grant
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	388,394
State operating grants	-	-	50,000	-
State capital grants	-	-	281,528	-
Charges for services	-	-	-	-
Investment income	1,328	-	-	-
Special assessment	121,554	-	-	-
Special assessment - interest	42,531	-	-	-
Miscellaneous	-	61,715	-	-
<i>Total revenues</i>	<u>165,413</u>	<u>61,715</u>	<u>331,528</u>	<u>388,394</u>
<i>Expenditures</i>				
Current:				
General government	-	-	4,636	2
Public safety	-	17,564	54,445	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	644,983	24,928	825,053
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>662,547</u>	<u>84,009</u>	<u>825,055</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>165,413</u>	<u>(600,832)</u>	<u>247,519</u>	<u>(436,661)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	582,432	48,985	267,400
Transfers (out)	(131,890)	-	(22,002)	-
<i>Total other financing sources (uses)</i>	<u>(131,890)</u>	<u>582,432</u>	<u>26,983</u>	<u>267,400</u>
<i>Net change in fund balances</i>	33,523	(18,400)	274,502	(169,261)
<i>Fund balances - beginning of year</i>	<u>715,809</u>	<u>18,400</u>	<u>2,390</u>	<u>325,743</u>
<i>Fund balances - end of year</i>	<u>\$ 749,332</u>	<u>\$ -</u>	<u>\$ 276,892</u>	<u>\$ 156,482</u>

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

**Total Nonmajor
Governmental
Funds**

\$	733,222
	1,453,820
	195,184
	49,264
	370,046
	388,394
	1,512,789
	281,528
	1,535,040
	10,383
	121,554
	42,531
	81,383
	<hr/> 6,775,138 <hr/>
	624,289
	811,002
	150,734
	34,760
	3,638,668
	2,161,356
	442,788
	159,036
	<hr/> 8,022,633 <hr/>
	<hr/> (1,247,495) <hr/>
	4,539
	2,983,634
	<hr/> (1,062,466) <hr/>
	1,925,707
	678,212
	4,939,046
\$	<hr/> <hr/> 5,617,258

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

STATE OF NEW MEXICO

Statement B-1

Lincoln County

Special Programs Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	34,760	34,760	34,760	-
Health and welfare	42,000	42,000	36,050	5,950
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>76,760</u>	<u>76,760</u>	<u>70,810</u>	<u>5,950</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(76,760)</u>	<u>(76,760)</u>	<u>(70,810)</u>	<u>5,950</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	870	-	(870)
Loan proceeds	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	76,760	75,890	69,939	(5,951)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>76,760</u>	<u>76,760</u>	<u>69,939</u>	<u>(6,821)</u>
<i>Net change in fund balance</i>	-	-	(871)	(871)
<i>Fund balance - beginning of year</i>	-	-	871	871
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (871)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (871)</u>

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

STATE OF NEW MEXICO

Statement B-2

Lincoln County

Clerk's Equipment Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	48,000	48,000	50,117	2,117
Investment income	350	350	448	98
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>48,350</u>	<u>48,350</u>	<u>50,565</u>	<u>2,215</u>
<i>Expenditures</i>				
Current:				
General government	187,864	187,864	31,018	156,846
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,000	2,000	-	2,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>189,864</u>	<u>189,864</u>	<u>31,018</u>	<u>158,846</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(141,514)</u>	<u>(141,514)</u>	<u>19,547</u>	<u>161,061</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	141,514	141,514	-	(141,514)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>141,514</u>	<u>141,514</u>	<u>-</u>	<u>(141,514)</u>
<i>Net change in fund balance</i>	-	-	19,547	19,547
<i>Fund balance - beginning of year</i>	-	-	183,853	183,853
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,400</u>	<u>\$ 203,400</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 19,547
Adjustments to revenues for charges for service				126
Adjustments to expenditures for vehicle fuel				(22)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 19,651</u>

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

STATE OF NEW MEXICO

Statement B-3

Lincoln County

Cell Tower Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-4

Lincoln County

Agreements Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	20,000	48,500	48,500	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>20,000</u>	<u>48,500</u>	<u>48,500</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	224,000	238,400	237,050	1,350
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>224,000</u>	<u>238,400</u>	<u>237,050</u>	<u>1,350</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(204,000)</u>	<u>(189,900)</u>	<u>(188,550)</u>	<u>1,350</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(28,500)	-	28,500
Proceeds from sale of equipment	-	-	-	-
Transfers in	204,000	218,400	188,550	(29,850)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>204,000</u>	<u>189,900</u>	<u>188,550</u>	<u>(1,350)</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
Adjustments to expenditures for materials and other charges				15,033
<i>Net change in fund balance (GAAP)</i>				<u>\$ 15,033</u>

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

STATE OF NEW MEXICO

Statement B-5

Lincoln County

Gas Tax Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	193,000	196,147	196,147	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>193,000</u>	<u>196,147</u>	<u>196,147</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	215,961	215,961	150,475	65,486
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>215,961</u>	<u>215,961</u>	<u>150,475</u>	<u>65,486</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(22,961)</u>	<u>(19,814)</u>	<u>45,672</u>	<u>65,486</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	22,961	19,814	-	(19,814)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>22,961</u>	<u>19,814</u>	<u>-</u>	<u>(19,814)</u>
<i>Net change in fund balance</i>	-	-	45,672	45,672
<i>Fund balance - beginning of year</i>	-	-	22,961	22,961
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,633</u>	<u>\$ 68,633</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 45,672
Adjustments to revenues for gas taxes				(963)
Adjustments to expenditures for vehicle fuel				(259)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 44,450</u>

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

STATE OF NEW MEXICO

Statement B-6

Lincoln County

Predatory Animal Control Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ 19,900	\$ 24,951	\$ 23,700	\$ (1,251)
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	24,484	36,679	36,679	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>44,384</u>	<u>61,630</u>	<u>60,379</u>	<u>(1,251)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	91,500	108,208	108,208	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>91,500</u>	<u>108,208</u>	<u>108,208</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(47,116)</u>	<u>(46,578)</u>	<u>(47,829)</u>	<u>(1,251)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(3,001)	-	3,001
Proceeds from sale of equipment	-	-	-	-
Transfers in	47,116	49,579	40,208	(9,371)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>47,116</u>	<u>46,578</u>	<u>40,208</u>	<u>(6,370)</u>
<i>Net change in fund balance</i>	-	-	(7,621)	(7,621)
<i>Fund balance - beginning of year</i>	-	-	14,245	14,245
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,624</u>	<u>\$ 6,624</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (7,621)
Adjustments to revenues for property tax revenues				(19)
Adjustments to expenditures for services provided				16,708
<i>Net change in fund balance (GAAP)</i>				<u>\$ 9,068</u>

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

STATE OF NEW MEXICO

Statement B-7

Lincoln County

Fire Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	792,549	921,639	886,084	(35,555)
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,690	2,668	3,444	776
Miscellaneous	-	559	559	-
<i>Total revenues</i>	<u>794,239</u>	<u>924,866</u>	<u>890,087</u>	<u>(34,779)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	751,068	734,140	374,403	359,737
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	740,980	864,141	137,019	727,122
Debt service:				
Principal	-	-	-	-
Interest	6,862	6,862	-	6,862
<i>Total expenditures</i>	<u>1,498,910</u>	<u>1,605,143</u>	<u>511,422</u>	<u>1,093,721</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(704,671)</u>	<u>(680,277)</u>	<u>378,665</u>	<u>1,058,942</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	844,856	820,480	-	(820,480)
Proceeds from sale of equipment	-	-	-	-
Transfers in	(12,180)	(12,180)	(12,180)	-
Transfers (out)	(128,005)	(128,023)	(128,023)	-
<i>Total other financing sources (uses)</i>	<u>704,671</u>	<u>680,277</u>	<u>(140,203)</u>	<u>(820,480)</u>
<i>Net change in fund balance</i>	-	-	238,462	238,462
<i>Fund balance - beginning of year</i>	-	-	831,241	831,241
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,069,703</u>	<u>\$ 1,069,703</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 238,462
Adjustments to revenues for state grant revenues				(5,457)
Adjustments to expenditures for materials and other charges				1,378
<i>Net change in fund balance (GAAP)</i>				<u>\$ 234,383</u>

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

STATE OF NEW MEXICO

Statement B-8

Lincoln County

Forest Reserve Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	27,000	27,000	21,981	(5,019)
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>27,000</u>	<u>27,000</u>	<u>21,981</u>	<u>(5,019)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	41,000	41,000	40,000	1,000
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>41,000</u>	<u>41,000</u>	<u>40,000</u>	<u>1,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(14,000)</u>	<u>(14,000)</u>	<u>(18,019)</u>	<u>(4,019)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	6,433	-	(6,433)
Proceeds from sale of equipment	-	-	-	-
Transfers in	14,000	7,567	5,793	(1,774)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>14,000</u>	<u>14,000</u>	<u>5,793</u>	<u>(8,207)</u>
<i>Net change in fund balance</i>	-	-	(12,226)	(12,226)
<i>Fund balance - beginning of year</i>	-	-	12,226	12,226
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (12,226)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (12,226)</u>

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

STATE OF NEW MEXICO

Statement B-9

Lincoln County

Lodgers' Tax Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	65,000	65,000	49,066	(15,934)
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	75	75	101	26
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>65,075</u>	<u>65,075</u>	<u>49,167</u>	<u>(15,908)</u>
<i>Expenditures</i>				
Current:				
General government	97,418	97,418	51,894	45,524
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>97,418</u>	<u>97,418</u>	<u>51,894</u>	<u>45,524</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(32,343)</u>	<u>(32,343)</u>	<u>(2,727)</u>	<u>29,616</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	32,343	32,343	-	(32,343)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>32,343</u>	<u>32,343</u>	<u>-</u>	<u>(32,343)</u>
<i>Net change in fund balance</i>	-	-	(2,727)	(2,727)
<i>Fund balance - beginning of year</i>	-	-	51,246	51,246
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,519</u>	<u>\$ 48,519</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (2,727)
Adjustments to revenues for lodgers tax revenues				198
Adjustments to expenditures for advertising expenses				6,756
<i>Net change in fund balance (GAAP)</i>				<u>\$ 4,227</u>

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

STATE OF NEW MEXICO

Statement B-10

Lincoln County

Drug Enforcement Grant Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	10,000	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	10,000	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
Adjustments to expenditures for maintenance				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-11

Lincoln County

Homeland Security Grant Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	59,063	59,063	-	(59,063)
State operating grants	601,809	142,500	22,102	(120,398)
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>660,872</u>	<u>201,563</u>	<u>22,102</u>	<u>(179,461)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	180,732	180,732	1,221	179,511
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	30,000	22,102	7,898
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>180,732</u>	<u>210,732</u>	<u>23,323</u>	<u>187,409</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>480,140</u>	<u>(9,169)</u>	<u>(1,221)</u>	<u>7,948</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(665,206)	34,224	-	(34,224)
Proceeds from sale of equipment	-	-	-	-
Transfers in	185,066	-	-	-
Transfers (out)	-	(25,055)	-	25,055
<i>Total other financing sources (uses)</i>	<u>(480,140)</u>	<u>9,169</u>	<u>-</u>	<u>(9,169)</u>
<i>Net change in fund balance</i>	-	-	(1,221)	(1,221)
<i>Fund balance - beginning of year</i>	-	-	34,224	34,224
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,003</u>	<u>\$ 33,003</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,221)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (1,221)</u>

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

STATE OF NEW MEXICO

Statement B-12

Lincoln County

Sheriff's Seizure Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	2	2	-
Miscellaneous	40	40	50	10
<i>Total revenues</i>	<u>40</u>	<u>42</u>	<u>52</u>	<u>10</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,158	1,158	1,158	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,158</u>	<u>1,158</u>	<u>1,158</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,118)</u>	<u>(1,116)</u>	<u>(1,106)</u>	<u>10</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,118	701	-	(701)
Proceeds from sale of equipment	-	415	415	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,118</u>	<u>1,116</u>	<u>415</u>	<u>(701)</u>
<i>Net change in fund balance</i>	-	-	(691)	(691)
<i>Fund balance - beginning of year</i>	-	-	1,780	1,780
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,089</u>	<u>\$ 1,089</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (691)
Adjustments to revenues for sale of equipment				(415)
Adjustments to expenditures for capital outlay				1,158
<i>Net change in fund balance (GAAP)</i>				<u>\$ 52</u>

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

STATE OF NEW MEXICO

Statement B-13

Lincoln County

Reappraisal Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	270,000	270,000	279,948	9,948
Investment income	-	-	-	-
Miscellaneous	-	4,910	4,910	-
<i>Total revenues</i>	<u>270,000</u>	<u>274,910</u>	<u>284,858</u>	<u>9,948</u>
<i>Expenditures</i>				
Current:				
General government	544,986	544,986	436,885	108,101
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	97,000	97,000	-	97,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>641,986</u>	<u>641,986</u>	<u>436,885</u>	<u>205,101</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(371,986)</u>	<u>(367,076)</u>	<u>(152,027)</u>	<u>215,049</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	371,986	367,076	-	(367,076)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>371,986</u>	<u>367,076</u>	<u>-</u>	<u>(367,076)</u>
<i>Net change in fund balance</i>	-	-	(152,027)	(152,027)
<i>Fund balance - beginning of year</i>	-	-	371,985	371,985
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,957</u>	<u>\$ 219,957</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (152,027)
Adjustments to revenues for fees and reimbursements				100
Adjustments to expenditures for materials, other charges, and payroll expenditures				(3,718)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (155,645)</u>

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

STATE OF NEW MEXICO

Statement B-14

Lincoln County

Emergency Medical Services Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	47,236	45,280	45,280	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	241	241	-
<i>Total revenues</i>	<u>47,236</u>	<u>45,521</u>	<u>45,521</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	48,443	46,486	25,772	20,714
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>48,443</u>	<u>46,486</u>	<u>25,772</u>	<u>20,714</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,207)</u>	<u>(965)</u>	<u>19,749</u>	<u>20,714</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,207	(3,295)	-	3,295
Proceeds from sale of equipment	-	4,260	4,260	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,207</u>	<u>965</u>	<u>4,260</u>	<u>3,295</u>
<i>Net change in fund balance</i>	-	-	24,009	24,009
<i>Fund balance - beginning of year</i>	-	-	1,207	1,207
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,216</u>	<u>\$ 25,216</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 24,009
No adjustments to revenues				-
Adjustments to expenditures for capital and training				1,573
<i>Net change in fund balance (GAAP)</i>				<u>\$ 25,582</u>

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

STATE OF NEW MEXICO

Statement B-15

Lincoln County

Rural Health Clinic Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ 654,000	\$ 654,000	\$ 701,362	\$ 47,362
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	710	1,049	1,147	98
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>654,710</u>	<u>655,049</u>	<u>702,509</u>	<u>47,460</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	644,170	644,170	539,500	104,670
Capital outlay	21,722	21,722	17,995	3,727
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>665,892</u>	<u>665,892</u>	<u>557,495</u>	<u>108,397</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(11,182)</u>	<u>(10,843)</u>	<u>145,014</u>	<u>155,857</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	11,182	10,564	-	(10,564)
Proceeds from sale of equipment	-	279	279	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>11,182</u>	<u>10,843</u>	<u>279</u>	<u>(10,564)</u>
<i>Net change in fund balance</i>	-	-	145,293	145,293
<i>Fund balance - beginning of year</i>	-	-	520,663	520,663
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 665,956</u>	<u>\$ 665,956</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 145,293
Adjustments to revenues for sale of equipment				8,179
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 153,472</u>

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

STATE OF NEW MEXICO

Statement B-16

Lincoln County

Law Enforcement Protection Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	32,000	32,000	32,000	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	35,269	35,269	32,909	2,360
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>35,269</u>	<u>35,269</u>	<u>32,909</u>	<u>2,360</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,269)</u>	<u>(3,269)</u>	<u>(909)</u>	<u>2,360</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	3,269	3,269	-	(3,269)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,269</u>	<u>3,269</u>	<u>-</u>	<u>(3,269)</u>
<i>Net change in fund balance</i>	-	-	(909)	(909)
<i>Fund balance - beginning of year</i>	-	-	3,269	3,269
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,360</u>	<u>\$ 2,360</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (909)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (909)</u>

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

STATE OF NEW MEXICO

Statement B-17

Lincoln County

Senior Citizen's Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	135,332	141,271	137,584	(3,687)
State operating grants	470,101	487,150	411,940	(75,210)
State capital grants	49,400	49,400	-	(49,400)
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	94,325	102,261	101,836	(425)
Miscellaneous	-	468	468	-
<i>Total revenues</i>	<u>749,158</u>	<u>780,550</u>	<u>651,828</u>	<u>(128,722)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	853,909	864,606	743,120	121,486
Capital outlay	91,400	91,400	-	91,400
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>945,309</u>	<u>956,006</u>	<u>743,120</u>	<u>212,886</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(196,151)</u>	<u>(175,456)</u>	<u>(91,292)</u>	<u>84,164</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	85,000	52,638	-	(52,638)
Proceeds from sale of equipment	-	-	-	-
Transfers in	111,151	122,818	122,818	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>196,151</u>	<u>175,456</u>	<u>122,818</u>	<u>(52,638)</u>
<i>Net change in fund balance</i>	-	-	31,526	31,526
<i>Fund balance - beginning of year</i>	-	-	72,895	72,895
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,421</u>	<u>\$ 104,421</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 31,526
Adjustments to revenues for state and federal grant revenues				(19,623)
Adjustments to expenditures for materials, other charges, and payroll expenditures				(5,146)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 6,757</u>

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

STATE OF NEW MEXICO

Statement B-18

Lincoln County

Environmental Gross Receipts Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	170,000	170,000	146,056	(23,944)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	859,446	859,606	849,020	(10,586)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,029,446</u>	<u>1,029,606</u>	<u>995,076</u>	<u>(34,530)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,283,510	1,552,632	1,380,612	172,020
Capital outlay	-	379,891	379,891	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,283,510</u>	<u>1,932,523</u>	<u>1,760,503</u>	<u>172,020</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(254,064)</u>	<u>(902,917)</u>	<u>(765,427)</u>	<u>137,490</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(160)	-	160
Transfers in	254,064	903,077	903,077	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>254,064</u>	<u>902,917</u>	<u>903,077</u>	<u>160</u>
<i>Net change in fund balance</i>	-	-	137,650	137,650
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,650</u>	<u>\$ 137,650</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 137,650
Adjustments to revenues for gross receipts tax revenue and charges				92,517
Adjustments to expenditures for materials and other charges				(15,279)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 214,888</u>

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

STATE OF NEW MEXICO

Statement B-19

Lincoln County

Enhanced 911 Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	6,000	6,000	1,310	(4,690)
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>6,000</u>	<u>6,000</u>	<u>1,310</u>	<u>(4,690)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	7,074	7,074	2,049	5,025
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,074</u>	<u>7,074</u>	<u>2,049</u>	<u>5,025</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,074)</u>	<u>(1,074)</u>	<u>(739)</u>	<u>335</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,074	1,074	-	(1,074)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,074</u>	<u>1,074</u>	<u>-</u>	<u>(1,074)</u>
<i>Net change in fund balance</i>	-	-	(739)	(739)
<i>Fund balance - beginning of year</i>	-	-	1,074	1,074
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335</u>	<u>\$ 335</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (739)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (739)</u>

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

STATE OF NEW MEXICO

Statement B-20

Lincoln County

Forest Health Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	47,000	159,295	127,623	(31,672)
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>47,000</u>	<u>159,295</u>	<u>127,623</u>	<u>(31,672)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	159,295	159,295	146,713	12,582
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>159,295</u>	<u>159,295</u>	<u>146,713</u>	<u>12,582</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(112,295)</u>	<u>-</u>	<u>(19,090)</u>	<u>(19,090)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	112,295	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>112,295</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(19,090)	(19,090)
<i>Fund balance - beginning of year</i>	-	-	189,436	189,436
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,346</u>	<u>\$ 170,346</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (19,090)
Adjustments to revenues for federal grant revenue				(18,673)
Adjustments to expenditures for materials and other charges				39,744
<i>Net change in fund balance (GAAP)</i>				<u>\$ 1,981</u>

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

STATE OF NEW MEXICO

Statement B-21

Lincoln County

Misdemeanor Compliance Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	95,500	114,805	114,805	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>95,500</u>	<u>114,805</u>	<u>114,805</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	95,500	114,805	114,805	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>95,500</u>	<u>114,805</u>	<u>114,805</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-22

Lincoln County

Indigent Health Care Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	645,000	645,000	658,170	13,170
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	5,534	5,534	-
<i>Total revenues</i>	<u>645,000</u>	<u>650,534</u>	<u>663,704</u>	<u>13,170</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,103,456	1,103,456	676,496	426,960
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,103,456</u>	<u>1,103,456</u>	<u>676,496</u>	<u>426,960</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(458,456)</u>	<u>(452,922)</u>	<u>(12,792)</u>	<u>440,130</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	446,740	441,206	-	(441,206)
Proceeds from sale of equipment	-	-	-	-
Transfers in	11,716	11,716	11,716	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>458,456</u>	<u>452,922</u>	<u>11,716</u>	<u>(441,206)</u>
<i>Net change in fund balance</i>	-	-	(1,076)	(1,076)
<i>Fund balance - beginning of year</i>	-	-	914,343	914,343
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 913,267</u>	<u>\$ 913,267</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,076)
Adjustments to revenues for gross receipts taxes and reimbursements				2,827
Adjustments to expenditures for materials and other charges				3,042
<i>Net change in fund balance (GAAP)</i>				<u>\$ 4,793</u>

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

STATE OF NEW MEXICO

Statement B-23

Lincoln County

Juvenile Justice Grant Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	113,000	113,111	78,700	(34,411)
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>113,000</u>	<u>113,111</u>	<u>78,700</u>	<u>(34,411)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	211,000	215,111	165,271	49,840
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>211,000</u>	<u>215,111</u>	<u>165,271</u>	<u>49,840</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(98,000)</u>	<u>(102,000)</u>	<u>(86,571)</u>	<u>15,429</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(20,000)	7,686	-	(7,686)
Proceeds from sale of equipment	-	-	-	-
Transfers in	118,000	94,314	78,885	(15,429)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>98,000</u>	<u>102,000</u>	<u>78,885</u>	<u>(23,115)</u>
<i>Net change in fund balance</i>	-	-	(7,686)	(7,686)
<i>Fund balance - beginning of year</i>	-	-	7,686	7,686
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (7,686)
Adjustments to revenues for state grant revenues				1,374
Adjustments to expenditures for materials and other charges				2,335
<i>Net change in fund balance (GAAP)</i>				<u>\$ (3,977)</u>

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

STATE OF NEW MEXICO

Statement B-24

Lincoln County

HIDTA Partnership Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	54,267	134,546	84,404	(50,142)
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>54,267</u>	<u>134,546</u>	<u>84,404</u>	<u>(50,142)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	137,426	134,547	87,296	47,251
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>137,426</u>	<u>134,547</u>	<u>87,296</u>	<u>47,251</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(83,159)</u>	<u>(1)</u>	<u>(2,892)</u>	<u>(2,891)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	82,159	(2,891)	-	2,891
Proceeds from sale of equipment	-	1,925	1,925	-
Transfers in	1,000	967	967	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>83,159</u>	<u>1</u>	<u>2,892</u>	<u>2,891</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
Adjustments to revenues for federal grants revenues				(14,172)
Adjustments to expenditures for capital outlay				(159)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (14,331)</u>

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

STATE OF NEW MEXICO

Statement B-25

Lincoln County

1st 1/8 GRT Reserve Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	390,770	390,770
Transfers (out)	-	-	(377,601)	(377,601)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>13,169</u>	<u>13,169</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>13,169</u>	<u>13,169</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>157,870</u>	<u>157,870</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,039</u>	<u>\$ 171,039</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 13,169
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 13,169</u>

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

STATE OF NEW MEXICO

Statement B-26

Lincoln County

1st 1/8 GRT Income Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	645,000	645,000	658,170	13,170
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>645,000</u>	<u>645,000</u>	<u>658,170</u>	<u>13,170</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	175,000	175,000	175,000	-
Interest	92,400	92,400	92,400	-
Debt issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>267,400</u>	<u>267,400</u>	<u>267,400</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>377,600</u>	<u>377,600</u>	<u>390,770</u>	<u>13,170</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(377,600)	(377,600)	(390,770)	(13,170)
<i>Total other financing sources (uses)</i>	<u>(377,600)</u>	<u>(377,600)</u>	<u>(390,770)</u>	<u>(13,170)</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
Adjustments to revenues for gross receipts tax revenues				(3,652)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (3,652)</u>

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

STATE OF NEW MEXICO

Statement B-27

Lincoln County

1st 1/8 GRT Debt Reserve Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	3,074	3,074	3,913	839
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,074</u>	<u>3,074</u>	<u>3,913</u>	<u>839</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	205,167	205,458	205,458	-
Interest	66,908	66,636	66,636	-
<i>Total expenditures</i>	<u>272,075</u>	<u>272,094</u>	<u>272,094</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(269,001)</u>	<u>(269,020)</u>	<u>(268,181)</u>	<u>839</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	512,564	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	269,001	269,019	272,094	3,075
Transfers (out)	(512,564)	-	-	-
<i>Total other financing sources (uses)</i>	<u>269,001</u>	<u>269,019</u>	<u>272,094</u>	<u>3,075</u>
<i>Net change in fund balance</i>	-	-	3,913	3,913
<i>Fund balance - beginning of year</i>	-	-	275,487	275,487
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,400</u>	<u>\$ 279,400</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 3,913
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 3,913</u>

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

STATE OF NEW MEXICO

Statement B-28

Lincoln County

Deer Park Special Assessment Income Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	660	877	1,328	451
Special assessment	131,890	131,890	108,354	(23,536)
Special assessment - interest	40,500	42,849	42,531	(318)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>173,050</u>	<u>175,616</u>	<u>152,213</u>	<u>(23,403)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
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>173,050</u>	<u>175,616</u>	<u>152,213</u>	<u>(23,403)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(41,160)	(43,726)	-	43,726
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(131,890)	(131,890)	(131,890)	-
<i>Total other financing sources (uses)</i>	<u>(173,050)</u>	<u>(175,616)</u>	<u>(131,890)</u>	<u>43,726</u>
<i>Net change in fund balance</i>	-	-	20,323	20,323
<i>Fund balance - beginning of year</i>	-	-	704,599	704,599
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 724,922</u>	<u>\$ 724,922</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 20,323
Adjustments to revenues for special assessment revenue				13,200
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 33,523</u>

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

STATE OF NEW MEXICO

Statement B-29

Lincoln County

Capital Improvements Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	61,715	61,715	-
<i>Total revenues</i>	-	61,715	61,715	-
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	300,000	200,000	192,874	7,126
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	794,920	894,920	469,673	425,247
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,094,920	1,094,920	662,547	432,373
<i>Excess (deficiency) of revenues over expenditures</i>	(1,094,920)	(1,033,205)	(600,832)	432,373
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(681,600)	(43,315)	-	43,315
Proceeds from sale of equipment	-	-	-	-
Transfers in	1,776,520	1,076,520	582,432	(494,088)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	1,094,920	1,033,205	582,432	(450,773)
<i>Net change in fund balance</i>	-	-	(18,400)	(18,400)
<i>Fund balance - beginning of year</i>	-	-	18,400	18,400
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (non-GAAP budgetary basis)				\$ (18,400)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				\$ (18,400)

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

STATE OF NEW MEXICO

Statement B-30

Lincoln County

Legislative Appropriation Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	253,000	303,000	50,000	(253,000)
State capital grants	294,400	504,400	-	(504,400)
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>547,400</u>	<u>807,400</u>	<u>50,000</u>	<u>(757,400)</u>
<i>Expenditures</i>				
Current:				
General government	163,000	163,000	-	163,000
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	139,400	425,210	79,373	345,837
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>302,400</u>	<u>588,210</u>	<u>79,373</u>	<u>508,837</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>245,000</u>	<u>219,190</u>	<u>(29,373)</u>	<u>(248,563)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(219,190)	-	219,190
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	48,985	48,985
Transfers (out)	(245,000)	-	(22,002)	(22,002)
<i>Total other financing sources (uses)</i>	<u>(245,000)</u>	<u>(219,190)</u>	<u>26,983</u>	<u>246,173</u>
<i>Net change in fund balance</i>	-	-	(2,390)	(2,390)
<i>Fund balance - beginning of year</i>	-	-	2,390	2,390
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (2,390)
Adjustments to revenues for state operating grants				281,528
Adjustments to expenditures for capital outlay				(4,636)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 274,502</u>

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

STATE OF NEW MEXICO
Lincoln County
CDBG Grant Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

Statement B-31

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	500,000	500,000	140,965	(359,035)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>500,000</u>	<u>500,000</u>	<u>140,965</u>	<u>(359,035)</u>
<i>Expenditures</i>				
Current:				
General government	24,612	23,446	18,447	4,999
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,036,763	1,114,821	741,375	373,446
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,061,375</u>	<u>1,138,267</u>	<u>759,822</u>	<u>378,445</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(561,375)</u>	<u>(638,267)</u>	<u>(618,857)</u>	<u>19,410</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	237,981	184,454	-	(184,454)
Proceeds from sale of equipment	-	-	-	-
Transfers in	323,394	453,813	267,400	(186,413)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>561,375</u>	<u>638,267</u>	<u>267,400</u>	<u>(370,867)</u>
<i>Net change in fund balance</i>	-	-	(351,457)	(351,457)
<i>Fund balance - beginning of year</i>	-	-	351,457	351,457
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (351,457)
Adjustments to revenues for grant revenue				247,429
Adjustments to expenditures for materials and other charges				(65,233)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (169,261)</u>

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

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
 Lincoln County
 Schedule of Collateral Pledged by Depository For Public Funds
 June 30, 2016

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2016</u>
City Bank				
	Ruidoso NM Mun SD #3 GO	8/1/2018	781338JB5	\$ 182,590
	Bernalillo NM Mun SD #1 GO	8/1/2019	085279QX8	204,793
	Bernalillo NM Mun SD #1 GO	8/1/2019	085279QX8	204,793
	Los Lunas NM Mun SD #1 GO	7/15/2018	545562RT9	983,136
	Hobbs NM Mun SD#16 SCH GO	7/15/2016	433866EQ9	700,439
	Total City Bank			2,275,751

Name and location of safekeeper for above pledged collateral:
 Independent BankersBank, Dallas, Texas 75356

First National Bank

	FNMA Pool #AB2800	4/1/2026	31416YDE5	992,328
	FHLMC Pool #G14497	6/1/2027	3128MDGE7	1,233,765
	FHLMC Pool #J20134	8/1/2027	31306XEF6	1,208,792
	FNMA Pool #AW5348	6/1/2029	3138XU5J7	983,570
	FNMA Pool #MA2254	4/1/2030	31418BQG4	1,634,756
	FNMA Pool #MA0641	2/1/2031	31417YWB9	1,027,824
	FNMA Pool #MA1200	10/1/2032	31418AKN7	1,714,284
	FNMA Pool #MA1237	11/1/2032	31418ALT3	1,737,120
	FHLB Callable	1/30/2024	313381TZ8	1,987,654
	FHLB Callable	1/30/2024	313381TZ8	3,080,884
	FHLB Callable	1/30/2024	313381TZ8	1,987,654
	Total First National Bank			17,588,631

Name and location of safekeeper for above pledged collateral:
 Federal Home Loan Bank - Dallas, Irving, TX 75063

See Independent Auditors' Report.

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2016</u>
First Savings Bank				
	MBS FNMA 10-YR	7/1/2017	31371NGQ2	\$ 310
	MBS FHLMC Gold 15-YR	12/1/2020	31336WAL3	89,341
	FHLMC 10-YR	4/1/2022	31294MN72	37,209
	FNMA 10-YR	12/1/2022	3138MPXG5	324,451
	MBS FHLMC Gold 15-YR	3/1/2023	31307BJW1	40,960
	MBS FHLMC Gold 15-YR	3/1/2023	31307BJW1	27,306
	MBS FNMA 15-YR	7/1/2026	31417Y3H8	59,630
	FNMA 15-YR	11/1/2027	3138MJWW5	220,593
	MBS FNMA 15-YR	1/1/2028	3138EKJA4	40,104
	MBS FNMA 15-YR	1/1/2028	3138EKJA4	33,420
	MBS FNMA 15-YR	1/1/2028	3138EKJA4	50,130
	FHR 3048 PC	3/15/2035	31396CSM3	4,013
	GNR 2010-115 QG	11/20/2038	38377KKM1	6,606
	GNR 2010-115 QG	11/20/2038	38377KKM1	16,515
	GNR 2010-115 QG	11/20/2038	38377KKM1	33,031
	GNR 2009-55 HC	6/20/2039	38374VPS2	7,879
	GNR 2010-150 GJ	9/20/2039	38377NLJ1	22,135
	FNMA 10-YR	4/1/2024	31418BB54	129,208
	FNMA 10-YR	4/1/2024	31418BB54	581,436
	DONA ANA CO NM 25	9/1/2025	257579CX8	61,150
	FHR 3925 DE	7/15/2040	3137AFGA4	160,264
	GNR 2011-43 E	12/20/2040	38377UMA3	14,755
				<hr/>
	Total First Savings Bank			1,960,446

Name and location of safekeeper for above pledged collateral:
First National Bank, Pierre, SD 57501

See Independent Auditors' Report.

(This page intentionally left blank.)

STATE OF NEW MEXICO
 Lincoln County
 Schedule of Collateral Pledged by Depository For Public Funds
 June 30, 2016

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2016</u>
Pioneer Bank				
	FHLB CALL QTRLY	1/29/2021	313381US2	\$ 1,492,802
	FHLMC #180951 ARM	7/1/2033	31336STG3	312,440
	FHLMC #ARM 781721	7/1/2034	31349S4E0	47,661
	FNMA #661746 ARM	9/1/2032	31391BES2	5,601
	FNMA #745130 ARM	11/1/2035	31403CY39	80,991
	FNMA #759453 ARM	1/1/2034	31403VWN5	92,760
	FNMA #845629 ARM	12/1/2035	31408ALJ7	173,969
	GNMA II #080418 ARM	6/20/2030	36225CPC4	49,617
	GNMA II #80477 ARM	12/20/2030	36225CQ74	8,119
Total Pioneer Bank				<u>2,263,960</u>
Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank - Dallas, Irving, TX 75063				
Washington Federal Bank				
	GNMA2 G2895800	8/20/2061	3620E0NW2	<u>2,531,401</u>
Total Washington Federal Bank				<u>2,531,401</u>
Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank - Dallas, Irving, TX 75063				
Wells Fargo Bank				
	FNMA FNMS 3.500%	1/1/2042	3138E4U58	<u>1,400,000</u>
Total Wells Fargo Bank				<u>1,400,000</u>
Name and location of safekeeper for above pledged collateral: Bank of NY Mellon, One Wall Street NY 10286				
<i>Total Pledged Collateral</i>				<u><u>\$ 28,020,189</u></u>

See Independent Auditors' Report.

STATE OF NEW MEXICO
Lincoln County
Schedule of Deposit and Investment Accounts
June 30, 2016

<u>Bank Account Type/Name</u>	<u>City Bank</u>	<u>Bank of NY Mellon</u>	<u>Fidelity Investments</u>	<u>First National Bank</u>
Money Market Account	\$ 2,001,230	\$ -	\$ -	\$ -
Investment**	-	-	279,400	-
Investment	-	-	1,914,063	-
Checking - Operational	-	-	-	8,868,769
Checking - Sheriff Seizure	-	-	-	51,866
Checking - Detention Trust	-	-	-	23,634
Checking - Sheriff's petty cash	-	-	-	1,000
Checking - Federal Funds	-	-	-	3,243,506
Money Market Account	-	-	-	-
Certificate of Deposit	-	-	-	-
Certificate of Deposit	-	-	-	-
Investment	-	-	-	-
Money Market Account	-	-	-	-
Money Market Account	-	-	-	-
Certificate of Deposit	-	-	-	-
Certificate of Deposit	-	-	-	-
Money Market Account	-	-	-	-
NMFA Reserve Account**	-	44,676	-	-
Total	<u>2,001,230</u>	<u>44,676</u>	<u>2,193,463</u>	<u>12,188,775</u>
Reconciling items	-	-	-	(931,687)
<i>Reconciled balance</i>	<u><u>\$ 2,001,230</u></u>	<u><u>\$ 44,676</u></u>	<u><u>\$ 2,193,463</u></u>	<u><u>\$ 11,257,088</u></u>

**Accounts are U.S. Treasury MMA Mutual Funds

See Independent Auditors' Report.

First Savings Bank	New Mexico LGIP	Pioneer Bank	Washington Federal Bank	Wells Fargo Bank	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,001,230
-	-	-	-	-	279,400
-	-	-	-	-	1,914,063
-	-	-	-	-	8,868,769
-	-	-	-	-	51,866
-	-	-	-	-	23,634
-	-	-	-	-	1,000
-	-	-	-	-	3,243,506
1,254,383	-	-	-	-	1,254,383
250,000	-	-	-	-	250,000
500,000	-	-	-	-	500,000
-	1,315	-	-	-	1,315
-	-	1,625,435	-	-	1,625,435
-	-	-	2,466,362	-	2,466,362
-	-	-	10,000	-	10,000
-	-	-	240,000	-	240,000
-	-	-	-	1,500,242	1,500,242
-	-	-	-	-	44,676
<u>2,004,383</u>	<u>1,315</u>	<u>1,625,435</u>	<u>2,716,362</u>	<u>1,500,242</u>	<u>24,275,881</u>
-	-	-	-	-	(931,687)
<u>\$ 2,004,383</u>	<u>\$ 1,315</u>	<u>\$ 1,625,435</u>	<u>\$ 2,716,362</u>	<u>\$ 1,500,242</u>	23,344,194
					Petty cash 1,350
					Less: investments per Exhibit A-1 (3,194,778)
					Less: agency funds cash per Exhibit D-1 (316,439)
					Less: restricted cash and cash equivalents per Exhibit A-1 (4,013,104)
					<u>Total unrestricted cash and cash equivalents per Exhibit A-1</u>
					<u>\$ 15,821,223</u>

See Independent Auditors' Report.

STATE OF NEW MEXICO
Lincoln County
Reconciliation of Property Tax Rolls
For the Year Ended June 30, 2016

Uncollected taxes, July 1, 2015	\$ 2,091,741
Net taxes charged to treasurer for current year	29,312,971
Current year tax collections	(29,182,088)
Adjustments	(7,155)
	(7,155)
<i>Uncollected taxes June 30, 2016</i>	<i>\$ 2,215,469</i>

Detail of taxes distributed by agency:

School districts

Ruidoso Schools	\$ 5,495,636
Carrizozo Schools	456,596
Corona Schools	190,232
Hondo Schools	312,313
Capitan Schools	1,846,161

Municipalities

Village of Capitan	82,325
Village of Carrizozo	84,284
Village of Corona	15,388
Village of Ruidoso	3,272,113
Village of Ruidoso Downs	402,866

Other

State of New Mexico	1,703,281
County of Lincoln	10,611,727
Predatory Animal Control	23,939
ENMU Ruidoso	1,185,361
Alpine Village Sanitation	40,734
Sun Valley Sanitation	62,795
Carrizozo Soil and Water	63,998
Chaves County Soil and Water	2,635
Upper Hondo Soil and Water	257,158
Claunch Pinto Soil and Water	3,653
Rural Clinics	708,447
Lincoln County Medical Center	2,360,545
	2,360,545

<i>Total distributed taxes</i>	<i>\$ 29,182,187</i>
--------------------------------	----------------------

See Independent Auditors' Report.

Schedule of receivables - delinquent property tax by year

2015	\$	1,385,110
2014		521,030
2013		209,970
2012		43,707
2011		18,764
2010		12,108
2009		8,475
2008		6,706
2007		5,209
2006		4,390
		<hr/>
<i>Total</i>	\$	<u><u>2,215,469</u></u>

Reconciliation of undistributed taxes

Undistributed taxes July 1, 2015	\$	-
Current year collections		29,182,087
Current year collections distributed		(29,182,087)
Collections held for future periods		-
		<hr/>
<i>Undistributed taxes June 30, 2016</i>	\$	<u><u>-</u></u>

Property tax receivables are reported in the financial statements as follows:

Statement of Net Position - Exhibit A-1	\$	1,002,053
Statement of Fiduciary Assets and Liabilities - Agency Funds - Exhibit D-1		1,213,416
		<hr/>
<i>Total property taxes receivable</i>	\$	<u><u>2,215,469</u></u>

See Independent Auditors' Report.

STATE OF NEW MEXICO
Lincoln County
County Treasurer's Property Tax Schedule
For the Year Ended June 30, 2016

Agency	Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Lincoln County				
County Operational 2015	\$ 7,350,612	\$ (3,200)	\$ 7,347,412	\$ -
County Operational 2014	7,005,235	17,123	7,022,359	6,707,639
County Operational 2013	6,849,302	26,718	6,876,020	6,741,654
County Operational 2012	6,605,286	18,860	6,624,146	6,581,961
County Operational 2011	6,382,451	7,383	6,389,834	6,382,471
County Operational 2010	6,068,165	(17,077)	6,051,088	6,046,629
County Operational 2009	5,859,377	13,639	5,873,016	5,870,098
County Operational 2008	5,427,798	602	5,428,400	5,426,561
County Operational 2007	4,866,627	1,544	4,868,171	4,866,222
County Operational 2006	4,314,735	5,371	4,320,106	4,318,869
Total Lincoln County	\$ 60,729,588	\$ 70,963	\$ 60,800,552	\$ 52,942,104
Special Projects 2015	\$ 3,312,060	\$ (1,401)	\$ 3,310,659	\$ -
Special Projects 2014	3,212,982	5,840	3,218,822	3,077,970
Special Projects 2013	3,119,863	9,161	3,129,024	3,071,126
Special Projects 2012	3,047,259	6,561	3,053,819	3,036,620
Special Projects 2011	2,921,840	1,964	2,923,805	2,920,512
Special Projects 2010	2,865,314	(5,552)	2,859,762	2,857,707
Special Projects 2009	2,795,138	4,745	2,799,883	2,798,572
Special Projects 2008	2,446,461	513	2,446,974	2,446,026
Special Projects 2007	2,269,405	(181)	2,269,224	2,268,990
Special Projects 2006	1,989,345	1,568	1,990,913	1,990,197
Total Special Projects	\$ 27,979,667	\$ 23,219	\$ 28,002,886	\$ 24,467,720
State of New Mexico				
Debt Service 2015	\$ 1,637,958	\$ (729)	\$ 1,637,229	\$ -
Debt Service 2014	1,588,959	2,901	1,591,861	1,522,197
Debt Service 2013	1,542,938	4,525	1,547,463	1,518,815
Debt Service 2012	1,506,993	3,244	1,510,237	1,501,751
Debt Service 2011	1,447,197	973	1,448,170	1,446,450
Debt Service 2010	1,593,908	(3,087)	1,590,821	1,589,920
Debt Service 2009	1,168,945	1,969	1,170,914	1,170,314
Debt Service 2008	1,112,058	232	1,112,290	1,111,823
Debt Service 2007	1,007,667	(98)	1,007,569	1,007,463
Debt Service 2006	933,890	739	934,629	934,305
Total State of NM	\$ 13,540,513	\$ 10,670	\$ 13,551,183	\$ 11,803,038

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 7,007,247	\$ 7,007,247	\$ 340,166	\$ 7,007,247	\$ 7,007,247	\$ 340,166
187,102	6,894,741	127,618	187,102	6,894,741	127,618
79,255	6,820,909	55,110	79,255	6,820,909	55,110
30,715	6,612,675	11,471	30,715	6,612,675	11,471
2,809	6,385,281	4,553	2,809	6,385,281	4,553
1,611	6,048,241	2,847	1,611	6,048,241	2,847
1,061	5,871,158	1,858	1,061	5,871,158	1,858
443	5,427,004	1,396	443	5,427,004	1,396
88	4,866,309	1,862	88	4,866,309	1,862
-	4,318,869	1,238	-	4,318,869	1,238
\$ 7,310,331	\$ 60,252,434	\$ 548,119	\$ 7,310,331	\$ 60,252,434	\$ 548,119
\$ 3,163,124	\$ 3,163,124	\$ 147,535	\$ 3,163,124	\$ 3,163,124	\$ 147,535
85,855	3,163,825	54,997	85,855	3,163,825	54,997
35,458	3,106,585	22,439	35,458	3,106,585	22,439
12,479	3,049,099	4,720	12,479	3,049,099	4,720
1,244	2,921,757	2,048	1,244	2,921,757	2,048
688	2,858,396	1,367	688	2,858,396	1,367
417	2,798,988	895	417	2,798,988	895
201	2,446,228	747	201	2,446,228	747
50	2,269,040	183	50	2,269,040	183
-	1,990,197	716	-	1,990,197	716
\$ 3,299,516	\$ 27,767,239	\$ 235,647	\$ 3,299,516	\$ 27,767,239	\$ 235,647
\$ 1,564,314	\$ 1,564,314	\$ 72,915	\$ 1,564,314	\$ 1,564,314	\$ 72,915
42,459	1,564,657	27,204	42,459	1,564,657	27,204
17,536	1,536,351	11,112	17,536	1,536,351	11,112
6,171	1,507,923	2,314	6,171	1,507,923	2,314
616	1,447,066	1,104	616	1,447,066	1,104
383	1,590,303	518	383	1,590,303	518
174	1,170,488	426	174	1,170,488	426
92	1,111,915	375	92	1,111,915	375
22	1,007,485	84	22	1,007,485	84
-	934,305	324	-	934,305	324
\$ 1,631,767	\$ 13,434,807	\$ 116,376	\$ 1,631,767	\$ 13,434,807	\$ 116,376

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 County Treasurer's Property Tax Schedule
 For the Year Ended June 30, 2016

Agency	Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Livestock				
Cattle 2015	\$ 68,585	\$ 322	\$ 68,908	\$ -
Cattle 2014	60,437	(3,211)	57,226	55,425
Cattle 2013	55,731	(175)	55,555	55,347
Cattle 2012	51,249	(638)	50,612	50,561
Cattle 2011	50,910	(173)	50,737	50,711
Cattle 2010	44,448	(1,091)	43,357	43,352
Cattle 2009	56,714	(1,541)	55,172	55,170
Cattle 2008	53,644	(649)	52,995	52,995
Cattle 2007	50,119	72	50,191	50,191
Cattle 2006	41,744	(651)	41,093	41,093
Total Livestock	\$ 533,580	\$ (7,736)	\$ 525,846	\$ 454,845
Dairy Cattle				
Dairy Cattle 2015	\$ 134	\$ -	\$ 134	\$ -
Dairy Cattle 2014	68	-	68	68
Dairy Cattle 2013	9	(1)	9	9
Dairy Cattle 2012	11	-	11	11
Dairy Cattle 2011	28	-	28	28
Dairy Cattle 2010	25	-	25	25
Dairy Cattle 2009	51	-	51	51
Dairy Cattle 2008	43	-	43	43
Dairy Cattle 2007	50	(16)	34	34
Dairy Cattle 2006	79	-	79	79
Total Dairy Cattle	\$ 498	\$ (17)	\$ 481	\$ 348
Sheep & Goats				
Sheep & Goats 2015	\$ 1,116	\$ (294)	\$ 822	\$ -
Sheep & Goats 2014	1,484	(163)	1,321	1,298
Sheep & Goats 2013	1,658	(1)	1,657	1,655
Sheep & Goats 2012	1,738	(1)	1,736	1,736
Sheep & Goats 2011	1,357	-	1,357	1,357
Sheep & Goats 2010	767	1	767	767
Sheep & Goats 2009	1,374	-	1,374	1,374
Sheep & Goats 2008	1,489	(7)	1,482	1,482
Sheep & Goats 2007	1,535	(4)	1,531	1,531
Sheep & Goats 2006	2,312	(7)	2,305	2,305
Total Sheep & Goats	\$ 14,829	\$ (476)	\$ 14,353	\$ 13,504

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 66,761	\$ 66,761	\$ 2,146	\$ 66,761	\$ 66,761	\$ 2,146
630	56,054	1,171	629	56,054	1,171
178	55,525	31	178	55,525	31
49	50,610	2	49	50,610	2
25	50,737	-	25	50,737	-
5	43,357	-	5	43,357	-
2	55,172	-	2	55,172	-
-	52,995	-	-	52,995	-
-	50,191	-	-	50,191	-
-	41,093	-	-	41,093	-
\$ 67,650	\$ 522,495	\$ 3,350	\$ 67,649	\$ 522,495	\$ 3,350
\$ 131	\$ 131	\$ 3	\$ 131	\$ 131	\$ 3
-	68	-	-	68	-
-	9	-	-	9	-
-	11	-	-	11	-
-	28	-	-	28	-
-	25	-	-	25	-
-	51	-	-	51	-
-	43	-	-	43	-
-	34	-	-	34	-
-	79	-	-	79	-
\$ 131	\$ 479	\$ 3	\$ 131	\$ 479	\$ 3
\$ 799	\$ 799	\$ 24	\$ 799	\$ 799	\$ 24
2	1,300	21	2	1,300	21
-	1,655	1	-	1,655	1
-	1,736	1	-	1,736	1
-	1,357	-	-	1,357	-
-	767	1	-	767	1
-	1,374	-	-	1,374	-
-	1,482	-	-	1,482	-
-	1,531	-	-	1,531	-
-	2,305	-	-	2,305	-
\$ 801	\$ 14,305	\$ 48	\$ 801	\$ 14,305	\$ 48

See Independent Auditors' Report.

STATE OF NEW MEXICO
Lincoln County
County Treasurer's Property Tax Schedule
For the Year Ended June 30, 2016

Agency		Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Equine					
Equine	2015	\$ 2,473	\$ (5)	\$ 2,469	\$ -
Equine	2014	2,238	(36)	2,202	2,106
Equine	2013	2,362	(163)	2,199	2,161
Equine	2012	2,583	(70)	2,512	2,490
Equine	2011	2,973	(17)	2,956	2,939
Equine	2010	2,881	(46)	2,835	2,822
Equine	2009	6,813	(42)	6,771	6,766
Equine	2008	-	-	-	-
Equine	2007	5,982	(90)	5,892	5,892
Equine	2006	5,896	(109)	5,787	5,787
Total Equine		\$ 34,201	\$ (579)	\$ 33,623	\$ 30,963
Bison					
Bison	2015	\$ 504	\$ -	\$ 504	\$ -
Bison	2014	484	-	484	479
Bison	2013	441	-	441	437
Bison	2012	128	(4)	125	123
Bison	2011	524	-	524	523
Bison	2010	276	(30)	246	246
Bison	2009	293	(6)	286	286
Bison	2008	489	-	489	489
Bison	2007	28	-	28	28
Bison	2006	35	-	35	35
Total Bison		\$ 3,202	\$ (40)	\$ 3,161	\$ 2,646
Predatory Control					
Predatory Control	2015	\$ 25,472	\$ (1,019)	\$ 24,452	\$ -
Predatory Control	2014	18,203	(1,233)	16,970	16,470
Predatory Control	2013	18,687	(41)	18,646	18,560
Predatory Control	2012	21,370	(317)	21,053	21,036
Predatory Control	2011	25,329	(58)	25,271	25,261
Predatory Control	2010	25,801	(672)	25,129	25,123
Predatory Control	2009	24,761	(251)	24,511	24,509
Predatory Control	2008	24,332	(87)	24,245	24,245
Predatory Control	2007	23,067	120	23,187	23,187
Predatory Control	2006	22,047	(201)	21,846	21,846
Total Predatory Control		\$ 229,069	\$ (3,759)	\$ 225,310	\$ 200,237

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 2,306	\$ 2,306	\$ 163	\$ 2,306	\$ 2,306	\$ 163
57	2,162	40	57	2,162	40
21	2,182	17	21	2,182	17
15	2,504	8	15	2,504	8
13	2,952	4	13	2,952	4
10	2,831	4	10	2,831	4
5	6,771	-	5	6,771	-
-	-	-	-	-	-
-	5,892	-	-	5,892	-
-	5,787	-	-	5,787	-
\$ 2,427	\$ 33,387	\$ 236	\$ 2,427	\$ 33,387	\$ 236
\$ 500	\$ 500	\$ 3	\$ 500	\$ -	\$ 3
-	479	4	-	-	4
-	437	4	-	-	4
-	123	2	-	-	2
-	523	2	-	-	2
-	246	-	-	-	-
-	286	-	-	-	-
-	489	-	-	-	-
-	28	-	-	-	-
-	35	-	-	35	-
\$ 500	\$ 3,146	\$ 15	\$ 500	\$ 35	\$ 15
\$ 23,688	\$ 23,688	\$ 764	\$ 23,688	\$ 23,688	\$ 764
148	16,618	352	148	16,618	352
76	18,636	10	76	18,636	10
15	21,051	2	15	21,051	2
9	25,270	1	9	25,270	1
2	25,125	4	2	25,125	4
2	24,511	-	2	24,511	-
-	24,245	-	-	24,245	-
-	23,187	-	-	23,187	-
-	21,846	-	-	21,846	-
\$ 23,940	\$ 224,177	\$ 1,133	\$ 23,940	\$ 224,177	\$ 1,133

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 County Treasurer's Property Tax Schedule
 For the Year Ended June 30, 2016

Agency		Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Village of Capitan					
Operational	2015	\$ 83,366	\$ 12	\$ 83,378	\$ -
Operational	2014	77,154	(217)	76,935	69,140
Operational	2013	77,100	(1)	77,098	73,978
Operational	2012	75,235	(61)	75,175	74,405
Operational	2011	71,813	(53)	71,761	71,445
Operational	2010	67,933	(340)	67,593	67,504
Operational	2009	27,619	(12)	27,607	27,549
Operational	2008	25,756	(39)	25,717	25,667
Operational	2007	23,907	(9)	23,898	23,854
Operational	2006	21,758	49	21,807	21,765
Total Operational		\$ 551,642	\$ (670)	\$ 550,969	\$ 455,307
Debt	2015	\$ -	\$ -	\$ -	\$ -
Debt	2014	-	-	-	-
Debt	2013	-	-	-	-
Debt	2012	-	-	-	-
Debt	2011	-	-	-	-
Debt	2010	-	-	-	-
Debt	2009	-	-	-	-
Debt	2008	-	-	-	-
Debt	2007	-	-	-	-
Debt	2006	-	-	-	-
Total Debt		\$ -	\$ -	\$ -	\$ -
Village of Carrizozo					
Operational	2015	\$ 87,177	\$ (79)	\$ 87,098	\$ -
Operational	2014	84,019	7	84,026	74,034
Operational	2013	81,591	169	81,761	70,081
Operational	2012	78,120	(181)	77,939	76,902
Operational	2011	47,385	(84)	47,301	47,185
Operational	2010	45,881	(305)	45,575	45,526
Operational	2009	44,195	(68)	44,127	44,111
Operational	2008	39,310	(51)	39,259	39,251
Operational	2007	36,567	(32)	36,535	36,528
Operational	2006	34,013	(42)	33,971	33,961
Total Operational		\$ 578,258	\$ (666)	\$ 577,592	\$ 467,579

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 74,641	\$ 74,641	\$ 8,737	\$ 74,641	\$ 74,641	\$ 8,737
4,791	73,930	3,005	4,791	73,930	3,005
2,224	76,202	896	2,224	76,202	896
527	74,932	243	527	74,932	243
107	71,553	208	107	71,553	208
26	67,530	63	26	67,530	63
8	27,557	50	8	27,557	50
-	25,667	50	-	25,667	50
-	23,854	44	-	23,854	44
-	21,765	42	-	21,765	42
\$ 82,324	\$ 537,631	\$ 13,338	\$ 82,324	\$ 537,631	\$ 13,338
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 76,030	\$ 76,030	\$ 11,068	\$ 76,030	\$ 76,030	\$ 11,068
4,722	78,756	5,270	4,722	78,756	5,270
2,759	72,839	8,921	2,759	72,839	8,921
767	77,669	270	767	77,669	270
6	47,192	109	6	47,192	109
-	45,526	49	-	45,526	49
-	44,111	16	-	44,111	16
-	39,251	8	-	39,251	8
-	36,528	7	-	36,528	7
-	33,961	10	-	33,961	10
\$ 84,284	\$ 551,865	\$ 25,727	\$ 84,284	\$ 551,865	\$ 25,727

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 County Treasurer's Property Tax Schedule
 For the Year Ended June 30, 2016

Agency		Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Village of Carrizozo					
Debt	2015	\$ -	\$ -	\$ -	\$ -
Debt	2014	-	-	-	-
Debt	2013	-	-	-	-
Debt	2012	-	-	-	-
Debt	2011	-	-	-	-
Debt	2010	-	-	-	-
Debt	2009	-	-	-	-
Debt	2008	-	-	-	-
Debt	2007	-	-	-	-
Debt	2006	-	-	-	-
	Total Debt	\$ -	\$ -	\$ -	\$ -
Village of Corona					
Operational	2015	\$ 15,531	\$ (1)	\$ 15,531	\$ -
Operational	2014	14,995	100	15,096	14,822
Operational	2013	13,183	(5)	13,178	13,178
Operational	2012	11,995	(19)	11,976	11,975
Operational	2011	11,662	(80)	11,582	11,582
Operational	2010	10,817	-	10,816	10,816
Operational	2009	10,485	-	10,485	10,485
Operational	2008	8,520	(5)	8,515	8,515
Operational	2007	7,911	(52)	7,859	7,823
Operational	2006	7,332	-	7,332	7,332
	Total Operational	\$ 112,430	\$ (62)	\$ 112,370	\$ 96,528
Debt	2015	\$ -	\$ -	\$ -	\$ -
Debt	2014	-	-	-	-
Debt	2013	-	-	-	-
Debt	2012	-	-	-	-
Debt	2011	-	-	-	-
Debt	2010	-	-	-	-
Debt	2009	-	-	-	-
Debt	2008	-	-	-	-
Debt	2007	-	-	-	-
Debt	2006	-	-	-	-
	Total Debt	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 15,213	\$ 15,213	\$ 318	\$ 15,213	\$ 15,213	\$ 318
176	14,998	98	176	14,998	98
-	13,178	-	-	13,178	-
-	11,975	-	-	11,975	-
-	11,582	-	-	11,582	-
-	10,816	-	-	10,816	-
-	10,485	-	-	10,485	-
-	8,515	-	-	8,515	-
-	7,823	36	-	7,823	36
-	7,332	-	-	7,332	-
\$ 15,388	\$ 111,916	\$ 452	\$ 15,388	\$ 111,916	\$ 452
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 County Treasurer's Property Tax Schedule
 For the Year Ended June 30, 2016

Agency		Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Village of Ruidoso					
Operational	2015	\$ 2,535,166	\$ (1,302)	\$ 2,533,864	\$ -
Operational	2014	2,478,454	(9,849)	2,468,605	2,350,508
Operational	2013	2,432,462	(2,421)	2,430,040	2,386,325
Operational	2012	2,367,392	(3,402)	2,363,991	2,351,357
Operational	2011	2,263,870	(898)	2,262,972	2,260,680
Operational	2010	2,195,648	(3,230)	2,192,418	2,191,179
Operational	2009	2,146,062	(4,908)	2,141,154	2,140,532
Operational	2008	2,000,847	181	2,001,028	2,000,645
Operational	2007	1,810,503	(2,045)	1,808,458	1,808,050
Operational	2006	1,583,772	222	1,583,994	1,583,499
Total Operational		\$ 21,814,176	\$ (27,652)	\$ 21,786,524	\$ 19,072,775
Debt	2015	\$ 763,830	\$ (406)	\$ 763,424	\$ -
Debt	2014	751,169	(3,385)	747,784	713,863
Debt	2013	-	-	-	-
Debt	2012	-	-	-	-
Debt	2011	-	-	-	-
Debt	2010	-	-	-	-
Debt	2009	-	-	-	-
Debt	2008	-	-	-	-
Debt	2007	-	-	-	-
Debt	2006	-	-	-	-
Total Debt		\$ 1,514,999	\$ (3,791)	\$ 1,511,208	\$ 713,863
Village of Ruidoso Downs					
Operational	2015	\$ 296,162	\$ -	\$ 296,162	\$ -
Operational	2014	293,498	97	293,594	265,603
Operational	2013	300,415	(2,892)	297,523	284,042
Operational	2012	297,487	(511)	296,976	289,250
Operational	2011	297,693	(444)	297,248	296,989
Operational	2010	277,398	(895)	276,503	275,855
Operational	2009	264,142	(856)	263,286	262,671
Operational	2008	244,014	(2,016)	241,998	241,522
Operational	2007	222,198	(293)	221,905	221,852
Operational	2006	199,114	(285)	198,829	198,641
Total Operational		\$ 2,692,120	\$ (8,095)	\$ 2,684,024	\$ 2,336,425

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 2,411,524	\$ 2,411,524	\$ 122,340	\$ 2,411,524	\$ 2,411,524	\$ 122,340
73,524	2,424,033	44,572	73,524	2,424,033	44,572
28,514	2,414,838	15,202	28,514	2,414,838	15,202
9,104	2,360,461	3,529	9,104	2,360,461	3,529
654	2,261,334	1,637	654	2,261,334	1,637
114	2,191,293	1,125	114	2,191,293	1,125
250	2,140,781	373	250	2,140,781	373
55	2,000,700	327	55	2,000,700	327
10	1,808,060	398	10	1,808,060	398
-	1,583,499	495	-	1,583,499	495
\$ 2,523,749	\$ 21,596,523	\$ 189,998	\$ 2,523,749	\$ 21,596,523	\$ 189,998
\$ 725,849	\$ 725,849	\$ 37,575	\$ 725,849	\$ 725,849	\$ 37,575
22,496	736,358	11,425	22,496	736,358	11,425
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 748,345	\$ 1,462,207	\$ 49,000	\$ 748,345	\$ 1,462,207	\$ 49,000
\$ 266,972	\$ 266,972	\$ 29,189	\$ 266,972	\$ 266,972	\$ 29,189
13,520	279,123	14,472	13,520	279,123	14,472
9,255	293,297	4,226	9,255	293,297	4,226
5,849	295,099	1,877	5,849	295,099	1,877
258	297,248	-	258	297,248	-
261	276,117	386	261	276,117	386
242	262,913	374	242	262,913	374
160	241,682	317	160	241,682	317
-	221,852	52	-	221,852	52
-	198,641	188	-	198,641	188
\$ 296,517	\$ 2,632,944	\$ 51,081	\$ 296,517	\$ 2,632,944	\$ 51,081

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 County Treasurer's Property Tax Schedule
 For the Year Ended June 30, 2016

Agency	Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Village of Ruidoso Downs				
Debt 2015	\$ 107,755	\$ -	\$ 107,755	\$ -
Debt 2014	97,556	23	97,579	88,293
Debt 2013	88,862	(705)	88,157	84,284
Debt 2012	89,501	(135)	89,366	87,258
Debt 2011	78,722	(108)	78,615	77,782
Debt 2010	136,409	(387)	136,022	135,662
Debt 2009	143,178	(414)	142,764	142,357
Debt 2008	109,074	(773)	108,301	108,051
Debt 2007	48,165	(86)	48,079	48,036
Debt 2005	-	-	-	-
Total Debt	\$ 899,223	\$ (2,585)	\$ 896,638	\$ 771,723
Eastern NM University - Ruidoso				
Advalorem 2015	\$ 1,190,206	\$ (571)	\$ 1,189,635	\$ -
Advalorem 2014	1,156,679	(3,889)	1,152,790	1,094,002
Advalorem 2013	1,129,477	(2,581)	1,126,895	1,103,930
Advalorem 2012	1,093,506	(1,129)	1,092,377	1,084,287
Advalorem 2011	1,045,423	(415)	1,045,008	1,043,700
Advalorem 2010	1,004,503	(1,762)	1,002,741	1,001,927
Advalorem 2009	985,139	(1,981)	983,158	983,158
Advalorem 2008	898,344	(236)	898,108	897,698
Advalorem 2007	813,791	(764)	813,027	812,796
Advalorem 2006	703,195	114	703,309	702,995
Total Advalorem	\$ 10,020,263	\$ (13,214)	\$ 10,007,048	\$ 8,724,493
Capitan Schools				
Operational 2015	\$ 104,460	\$ (78)	\$ 104,382	\$ -
Operational 2014	100,470	(128)	100,342	96,854
Operational 2013	98,457	(42)	98,415	97,240
Operational 2012	94,769	67	94,836	94,513
Operational 2011	90,570	(53)	90,518	90,472
Operational 2010	87,120	(78)	87,042	87,013
Operational 2009	85,249	21	85,269	85,254
Operational 2008	77,743	61	77,804	77,791
Operational 2007	70,045	-	70,045	70,033
Operational 2006	60,693	(2)	60,691	60,682
Total Operational	\$ 869,576	\$ (231)	\$ 869,345	\$ 759,851

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 96,934	\$ 96,934	\$ 10,821	\$ 96,934	\$ 96,934	\$ 10,821
4,717	93,010	4,569	4,717	93,010	4,569
2,684	86,968	1,189	2,684	86,968	1,189
1,569	88,827	539	1,569	88,827	539
93	77,875	739	93	77,875	739
154	135,816	206	154	135,816	206
113	142,470	294	113	142,470	294
84	108,135	165	84	108,135	165
-	48,036	43	-	48,036	43
-	-	-	-	-	-
\$ 106,348	\$ 878,071	\$ 18,565	\$ 106,348	\$ 878,071	\$ 18,565
\$ 1,128,130	\$ 1,128,130	\$ 61,505	\$ 1,128,130	\$ 1,128,130	\$ 61,505
34,935	1,128,938	23,852	34,935	1,128,938	23,852
15,257	1,119,187	7,708	15,257	1,119,187	7,708
6,141	1,090,428	1,949	6,141	1,090,428	1,949
496	1,044,196	811	496	1,044,196	811
282	1,002,209	532	282	1,002,209	532
-	983,158	-	-	983,158	-
109	897,807	301	109	897,807	301
4	812,800	228	4	812,800	228
-	702,995	315	-	702,995	315
\$ 1,185,354	\$ 9,909,848	\$ 97,201	\$ 1,185,354	\$ 9,909,848	\$ 97,201
\$ 100,556	\$ 100,556	\$ 3,826	\$ 100,556	\$ 100,556	\$ 3,826
2,313	99,167	1,175	2,313	99,167	1,175
799	98,039	376	799	98,039	376
172	94,685	151	172	94,685	151
25	90,498	20	25	90,498	20
7	87,020	22	7	87,020	22
4	85,258	11	4	85,258	11
-	77,791	14	-	77,791	14
-	70,033	12	-	70,033	12
-	60,682	9	-	60,682	9
\$ 103,877	\$ 863,728	\$ 5,617	\$ 103,877	\$ 863,728	\$ 5,617

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 County Treasurer's Property Tax Schedule
 For the Year Ended June 30, 2016

Agency	Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Capitan Schools				
Debt Service 2015	\$ 467,033	\$ (300)	\$ 466,733	\$ -
Debt Service 2014	463,524	(418)	463,106	447,442
Debt Service 2013	483,229	(83)	483,146	477,894
Debt Service 2012	-	-	-	-
Debt Service 2011	206,263	(68)	206,195	206,038
Debt Service 2010	202,490	(89)	202,401	202,337
Debt Service 2009	225,220	106	225,326	225,285
Debt Service 2008	237,876	309	238,185	238,144
Debt Service 2007	245,636	24	245,660	245,616
Debt Service 2006	255,406	(20)	255,386	255,342
Total Debt Service	\$ 2,786,677	\$ (539)	\$ 2,786,138	\$ 2,298,097
Capital Improvements 2015	\$ 803,707	\$ (478)	\$ 803,229	\$ -
Capital Improvements 2014	763,827	(639)	763,187	737,786
Capital Improvements 2013	750,634	(122)	750,512	742,384
Capital Improvements 2012	735,829	690	736,519	734,354
Capital Improvements 2011	708,865	(234)	708,631	708,040
Capital Improvements 2010	690,015	(305)	689,710	689,492
Capital Improvements 2009	676,337	319	676,656	676,534
Capital Improvements 2008	586,299	765	587,064	586,971
Capital Improvements 2007	539,859	53	539,912	539,814
Capital Improvements 2006	472,975	(38)	472,937	472,859
Total Cap. Imp.	\$ 6,728,347	\$ 12	\$ 6,728,359	\$ 5,888,233
Ed Tech Debt 2015	\$ 478,905	\$ (281)	\$ 478,623	\$ -
Ed Tech Debt 2014	434,628	(392)	434,237	419,662
Ed Tech Debt 2013	432,719	(74)	432,645	427,939
Ed Tech Debt 2012	411,668	387	412,055	410,845
Ed Tech Debt 2011	213,713	(70)	213,643	213,476
Ed Tech Debt 2010	181,029	(79)	180,950	180,893
Ed Tech Debt 2009	-	-	-	-
Ed Tech Debt 2008	-	-	-	-
Ed Tech Debt 2007	-	-	-	-
Ed Tech Debt 2006	-	-	-	-
Total Ed. Tech Debt	\$ 2,152,662	\$ (510)	\$ 2,152,152	\$ 1,652,814

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 450,728	\$ 450,728	\$ 16,005	\$ 450,728	\$ 450,728	\$ 16,005
10,617	458,059	5,047	10,617	458,059	5,047
3,748	481,642	1,504	3,748	481,642	1,504
-	-	-	-	-	-
58	206,097	98	58	206,097	98
15	202,352	50	15	202,352	50
9	225,294	32	9	225,294	32
-	238,144	41	-	238,144	41
-	245,616	44	-	245,616	44
-	255,342	44	-	255,342	44
\$ 465,176	\$ 2,763,273	\$ 22,865	\$ 465,176	\$ 2,763,273	\$ 22,865
\$ 775,782	\$ 775,782	\$ 27,446	\$ 775,782	\$ 775,782	\$ 27,446
17,487	755,272	7,915	17,487	755,272	7,915
5,812	748,196	2,316	5,812	748,196	2,316
1,280	735,633	886	1,280	735,633	886
201	708,241	390	201	708,241	390
51	689,543	168	51	689,543	168
26	676,561	96	26	676,561	96
-	586,971	94	-	586,971	94
-	539,814	97	-	539,814	97
-	472,859	79	-	472,859	79
\$ 800,639	\$ 6,688,872	\$ 39,487	\$ 800,639	\$ 6,688,872	\$ 39,487
\$ 462,365	\$ 462,365	\$ 16,258	\$ 462,365	\$ 462,365	\$ 16,258
9,958	429,620	4,617	9,958	429,620	4,617
3,356	431,295	1,349	3,356	431,295	1,349
716	411,560	495	716	411,560	495
61	213,536	107	61	213,536	107
13	180,907	43	13	180,907	43
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 476,469	\$ 2,129,283	\$ 22,869	\$ 476,469	\$ 2,129,283	\$ 22,869

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 County Treasurer's Property Tax Schedule
 For the Year Ended June 30, 2016

Agency		Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Carrizozo Schools					
Operational	2015	\$ 22,772	\$ (7)	\$ 22,764	\$ -
Operational	2014	21,100	95	21,195	20,090
Operational	2013	20,680	24	20,704	19,456
Operational	2012	19,934	(19)	19,915	19,771
Operational	2011	19,000	(99)	18,901	18,862
Operational	2010	18,354	(70)	18,284	18,256
Operational	2009	17,421	44	17,465	17,462
Operational	2008	16,175	(518)	15,657	15,653
Operational	2007	14,865	104	14,969	14,966
Operational	2006	13,820	12	13,832	13,828
Total Operational		\$ 184,120	\$ (435)	\$ 183,685	\$ 158,345
Debt Service	2015	\$ 318,126	\$ (99)	\$ 318,027	\$ -
Debt Service	2014	311,172	1,306	312,478	295,632
Debt Service	2013	305,607	330	305,937	287,898
Debt Service	2012	286,840	(261)	286,580	284,356
Debt Service	2011	282,553	(1,368)	281,185	280,554
Debt Service	2010	278,140	(983)	277,157	276,641
Debt Service	2009	262,946	710	263,656	263,597
Debt Service	2008	247,154	(7,261)	239,893	239,870
Debt Service	2007	196,435	1,214	197,649	197,625
Debt Service	2006	167,192	114	167,306	167,234
Total Debt Service		\$ 2,656,166	\$ (6,297)	\$ 2,649,868	\$ 2,293,406
Capital Improvements	2015	\$ 118,770	\$ (37)	\$ 118,733	\$ -
Capital Improvements	2014	115,204	486	115,691	109,470
Capital Improvements	2013	113,208	122	113,330	106,649
Capital Improvements	2012	91,007	(81)	90,926	90,203
Capital Improvements	2011	86,805	(403)	86,402	86,199
Capital Improvements	2010	83,751	(294)	83,457	83,299
Capital Improvements	2009	79,773	217	79,990	79,972
Capital Improvements	2008	73,868	(2,111)	71,757	71,656
Capital Improvements	2007	67,736	419	68,155	68,146
Capital Improvements	2006	62,815	42	62,857	62,830
Total Cap. Imp.		\$ 892,938	\$ (1,639)	\$ 891,299	\$ 758,424

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 21,566	\$ 21,566	\$ 1,198	\$ 21,566	\$ 21,566	\$ 1,198
556	20,646	549	556	20,646	549
320	19,776	928	320	19,776	928
113	19,884	31	113	19,884	31
24	18,886	15	24	18,886	15
19	18,276	8	19	18,276	8
-	17,462	4	-	17,462	4
-	15,653	4	-	15,653	4
-	14,966	3	-	14,966	3
-	13,828	4	-	13,828	4
\$ 22,598	\$ 180,943	\$ 2,743	\$ 22,598	\$ 180,943	\$ 2,743
\$ 300,234	\$ 300,234	\$ 17,793	\$ 300,234	\$ 300,234	\$ 17,793
8,532	304,165	8,313	8,532	304,165	8,313
4,830	292,729	13,208	4,830	292,729	13,208
1,749	286,105	475	1,749	286,105	475
401	280,955	231	401	280,955	231
367	277,008	149	367	277,008	149
-	263,597	60	-	263,597	60
-	239,870	23	-	239,870	23
-	197,625	25	-	197,625	25
-	167,234	73	-	167,234	73
\$ 316,113	\$ 2,609,519	\$ 40,349	\$ 316,113	\$ 2,609,519	\$ 40,349
\$ 112,116	\$ 112,116	\$ 6,617	\$ 112,116	\$ 112,116	\$ 6,617
3,148	112,619	3,072	3,148	112,619	3,072
1,807	108,456	4,874	1,807	108,456	4,874
569	90,773	153	569	90,773	153
131	86,330	72	131	86,330	72
113	83,412	45	113	83,412	45
-	79,972	18	-	79,972	18
-	71,656	101	-	71,656	101
-	68,146	9	-	68,146	9
-	62,830	27	-	62,830	27
\$ 117,885	\$ 876,309	\$ 14,989	\$ 117,885	\$ 876,309	\$ 14,989

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 County Treasurer's Property Tax Schedule
 For the Year Ended June 30, 2016

Agency		Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Corona Schools					
Operational	2015	\$ 20,410	\$ 45	\$ 20,455	\$ -
Operational	2014	17,039	1,734	18,773	18,562
Operational	2013	15,413	1,887	17,300	17,294
Operational	2012	16,008	1,027	17,035	17,031
Operational	2011	16,021	730	16,751	16,749
Operational	2010	15,994	(111)	15,883	15,878
Operational	2009	15,172	1,211	16,383	16,383
Operational	2008	13,978	515	14,493	14,493
Operational	2007	12,150	55	12,205	12,199
Operational	2006	12,190	210	12,400	12,399
Total Operational		\$ 154,375	\$ 7,303	\$ 161,678	\$ 140,989
Debt Service	2015	\$ 87,426	\$ 221	\$ 87,647	\$ -
Debt Service	2014	83,238	8,442	91,680	90,636
Debt Service	2013	82,669	10,043	92,712	92,678
Debt Service	2012	82,493	5,247	87,740	87,720
Debt Service	2011	96,461	4,357	100,818	100,800
Debt Service	2010	82,850	(567)	82,283	82,220
Debt Service	2009	88,388	7,013	95,401	95,399
Debt Service	2008	85,263	3,304	88,567	88,567
Debt Service	2007	82,460	370	82,830	82,800
Debt Service	2006	81,378	1,383	82,761	82,761
Total Debt Service		\$ 852,626	\$ 39,813	\$ 892,439	\$ 803,580
Capital Improvements	2015	\$ 84,224	\$ 181	\$ 84,406	\$ -
Capital Improvements	2014	68,611	6,944	75,555	74,695
Capital Improvements	2013	62,110	7,546	69,656	69,631
Capital Improvements	2012	64,482	4,107	68,589	68,574
Capital Improvements	2011	64,530	2,917	67,447	67,436
Capital Improvements	2010	64,313	(425)	63,888	63,887
Capital Improvements	2009	61,062	4,845	65,907	65,906
Capital Improvements	2008	56,066	2,021	58,087	58,087
Capital Improvements	2007	48,851	219	49,070	49,052
Capital Improvements	2006	49,290	838	50,128	50,128
Total Cap. Imp.		\$ 623,539	\$ 29,193	\$ 652,733	\$ 567,395

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 20,149	\$ 20,149	\$ 307	\$ 20,149	\$ 20,149	\$ 307
60	18,622	151	60	18,622	151
6	17,300	-	6	17,300	-
-	17,032	4	-	17,032	4
-	16,749	2	-	16,749	2
-	15,878	5	-	15,878	5
-	16,383	1	-	16,383	1
-	14,493	-	-	14,493	-
-	12,199	6	-	12,199	6
-	12,399	-	-	12,399	-
\$ 20,215	\$ 161,203	\$ 474	\$ 20,215	\$ 161,203	\$ 474
\$ 86,287	\$ 86,287	\$ 1,360	\$ 86,287	\$ 86,287	\$ 1,360
297	90,933	747	297	90,933	747
34	92,712	-	34	92,712	-
-	87,720	20	-	87,720	20
-	100,800	18	-	100,800	18
-	82,220	63	-	82,220	63
-	95,399	2	-	95,399	2
-	88,567	-	-	88,567	-
-	82,800	30	-	82,800	30
-	82,761	-	-	82,761	-
\$ 86,617	\$ 890,198	\$ 2,240	\$ 86,617	\$ 890,198	\$ 2,240
\$ 83,127	\$ 83,127	\$ 1,278	\$ 83,127	\$ 83,127	\$ 1,278
246	74,941	615	246	74,941	615
25	69,656	-	25	69,656	-
-	68,574	15	-	68,574	15
-	67,436	12	-	67,436	12
-	63,887	-	-	63,887	-
-	65,906	1	-	65,906	1
-	58,087	-	-	58,087	-
-	49,052	18	-	49,052	18
-	50,128	-	-	50,128	-
\$ 83,398	\$ 650,794	\$ 1,939	\$ 83,398	\$ 650,794	\$ 1,939

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 County Treasurer's Property Tax Schedule
 For the Year Ended June 30, 2016

Agency	Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Hondo Valley Public Schools				
Operational 2015	\$ 17,027	\$ (4)	\$ 17,022	\$ -
Operational 2014	16,593	512	17,105	16,462
Operational 2013	16,371	541	16,911	16,615
Operational 2012	15,943	308	16,251	16,123
Operational 2011	15,652	(76)	15,575	15,548
Operational 2010	14,397	(221)	14,176	14,149
Operational 2009	13,653	100	13,753	13,725
Operational 2008	12,438	44	12,482	12,439
Operational 2007	12,621	33	12,654	12,628
Operational 2006	10,468	41	10,509	10,498
Total Operational	\$ 145,162	\$ 1,277	\$ 146,440	\$ 128,187
Debt Service 2015	\$ 225,045	\$ (58)	\$ 224,988	\$ -
Debt Service 2014	226,337	6,812	233,149	224,347
Debt Service 2013	222,644	7,297	229,942	225,915
Debt Service 2012	234,818	4,480	239,298	237,381
Debt Service 2011	235,110	(1,155)	233,955	233,555
Debt Service 2010	206,583	(3,219)	203,364	202,976
Debt Service 2009	207,739	1,599	209,338	208,937
Debt Service 2008	150,090	392	150,482	150,074
Debt Service 2007	171,017	447	171,464	171,093
Debt Service 2006	156,734	600	157,334	157,157
Total Debt Service	\$ 2,036,117	\$ 17,195	\$ 2,053,313	\$ 1,811,435
Capital Improvements 2015	\$ 68,668	\$ (17)	\$ 68,651	\$ -
Capital Improvements 2014	66,903	2,046	68,950	66,356
Capital Improvements 2013	66,007	2,163	68,171	66,977
Capital Improvements 2012	64,369	1,232	65,601	65,076
Capital Improvements 2011	63,483	(312)	63,171	63,063
Capital Improvements 2010	57,604	(885)	56,719	56,609
Capital Improvements 2009	54,627	402	55,029	54,918
Capital Improvements 2008	49,733	116	49,849	49,757
Capital Improvements 2007	50,966	133	51,099	50,990
Capital Improvements 2006	43,254	166	43,420	43,372
Total Cap. Imp.	\$ 585,615	\$ 5,045	\$ 590,660	\$ 517,117

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 16,370	\$ 16,370	\$ 653	\$ 16,370	\$ 16,370	\$ 653
410	16,872	232	410	16,872	232
214	16,829	82	214	16,829	82
88	16,210	41	88	16,210	41
2	15,550	26	2	15,550	26
-	14,149	27	-	14,149	27
1	13,726	28	1	13,726	28
6	12,446	37	6	12,446	37
8	12,636	19	8	12,636	19
-	10,498	11	-	10,498	11
\$ 17,097	\$ 145,284	\$ 1,155	\$ 17,097	\$ 145,284	\$ 1,155
\$ 216,259	\$ 216,259	\$ 8,728	\$ 216,259	\$ 216,259	\$ 8,728
5,598	229,945	3,204	5,598	229,945	3,204
2,909	228,825	1,117	2,909	228,825	1,117
1,290	238,672	626	1,290	238,672	626
23	233,578	376	23	233,578	376
-	202,976	388	-	202,976	388
8	208,944	393	8	208,944	393
75	150,148	334	75	150,148	334
108	171,201	262	108	171,201	262
-	157,157	177	-	157,157	177
\$ 226,271	\$ 2,037,706	\$ 15,606	\$ 226,271	\$ 2,037,706	\$ 15,606
\$ 66,010	\$ 66,010	\$ 2,641	\$ 66,010	\$ 66,010	\$ 2,641
1,653	68,009	941	1,653	68,009	941
863	67,840	331	863	67,840	331
354	65,429	172	354	65,429	172
6	63,070	102	6	63,070	102
-	56,609	110	-	56,609	110
2	54,920	109	2	54,920	109
25	49,781	68	25	49,781	68
32	51,022	77	32	51,022	77
-	43,372	48	-	43,372	48
\$ 68,945	\$ 586,062	\$ 4,598	\$ 68,945	\$ 586,062	\$ 4,598

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 County Treasurer's Property Tax Schedule
 For the Year Ended June 30, 2016

Agency		Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Ruidoso Schools					
Operational	2015	\$ 232,504	\$ (117)	\$ 232,387	\$ -
Operational	2014	226,022	(966)	225,056	213,218
Operational	2013	220,007	(653)	219,354	214,785
Operational	2012	213,700	(308)	213,392	211,654
Operational	2011	204,284	(91)	204,193	203,939
Operational	2010	196,029	(439)	195,590	195,411
Operational	2009	190,411	(472)	189,939	189,788
Operational	2008	173,171	(35)	173,136	172,887
Operational	2007	156,180	(123)	156,057	156,017
Operational	2006	135,120	40	135,160	135,123
Total Operational		\$ 1,947,427	\$ (3,163)	\$ 1,944,265	\$ 1,692,821
Debt Service	2015	\$ 3,955,391	\$ (1,934)	\$ 3,953,456	\$ -
Debt Service	2014	3,885,812	(13,683)	3,872,129	3,674,082
Debt Service	2013	3,665,960	(8,727)	3,657,232	3,582,390
Debt Service	2012	3,638,294	(3,426)	3,634,868	3,608,547
Debt Service	2011	3,482,155	(1,357)	3,480,798	3,476,403
Debt Service	2010	2,791,662	(4,839)	2,786,823	2,784,583
Debt Service	2009	2,662,484	(5,487)	2,656,997	2,654,932
Debt Service	2008	2,967,321	(824)	2,966,497	2,965,213
Debt Service	2007	2,784,900	(2,701)	2,782,199	2,781,420
Debt Service	2006	2,414,806	373	2,415,179	2,415,122
Total Debt Service		\$ 32,248,784	\$ (42,605)	\$ 32,206,180	\$ 27,942,693
Capital Improvements	2015	\$ 1,330,622	\$ (647)	\$ 1,329,975	\$ -
Capital Improvements	2014	1,301,583	(4,548)	1,297,035	1,230,589
Capital Improvements	2013	1,273,787	(3,032)	1,270,754	1,244,746
Capital Improvements	2012	1,223,874	(1,175)	1,222,699	1,213,800
Capital Improvements	2011	1,176,674	(460)	1,176,214	1,174,727
Capital Improvements	2010	1,134,647	(1,938)	1,132,709	1,131,805
Capital Improvements	2009	1,105,537	(2,192)	1,103,345	1,102,495
Capital Improvements	2008	1,007,841	(280)	1,007,561	1,007,036
Capital Improvements	2007	943,075	(914)	942,161	941,896
Capital Improvements	2006	797,362	118	797,480	797,481
Total Cap. Imp.		\$ 11,295,002	\$ (15,069)	\$ 11,279,933	\$ 9,844,575

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 219,815	\$ 219,815	\$ 12,571	\$ 219,815	\$ 219,815	\$ 12,571
6,897	220,115	4,941	6,897	220,115	4,941
3,021	217,806	1,548	3,021	217,806	1,548
1,339	212,993	399	1,339	212,993	399
104	204,043	150	104	204,043	150
63	195,474	116	63	195,474	116
52	189,841	99	52	189,841	99
21	172,908	228	21	172,908	228
1	156,017	39	1	156,017	39
-	135,123	37	-	135,123	37
\$ 231,314	\$ 1,924,135	\$ 20,130	\$ 231,314	\$ 1,924,135	\$ 20,130
\$ 3,747,930	\$ 3,747,930	\$ 205,526	\$ 3,747,930	\$ 3,747,930	\$ 205,526
117,591	3,791,673	80,456	117,591	3,791,673	80,456
49,633	3,632,023	25,210	49,633	3,632,023	25,210
19,907	3,628,454	6,414	19,907	3,628,454	6,414
1,632	3,478,035	2,763	1,632	3,478,035	2,763
778	2,785,362	1,462	778	2,785,362	1,462
634	2,655,567	1,430	634	2,655,567	1,430
359	2,965,572	926	359	2,965,572	926
13	2,781,433	766	13	2,781,433	766
-	2,415,122	57	-	2,415,122	57
\$ 3,938,478	\$ 31,881,171	\$ 325,009	\$ 3,938,478	\$ 31,881,171	\$ 325,009
\$ 1,260,870	\$ 1,260,870	\$ 69,105	\$ 1,260,870	\$ 1,260,870	\$ 69,105
39,371	1,269,960	27,075	39,371	1,269,960	27,075
17,246	1,261,992	8,762	17,246	1,261,992	8,762
6,733	1,220,533	2,166	6,733	1,220,533	2,166
553	1,175,280	934	553	1,175,280	934
314	1,132,119	589	314	1,132,119	589
256	1,102,751	595	256	1,102,751	595
122	1,007,158	403	122	1,007,158	403
4	941,901	260	4	941,901	260
-	797,481	-	-	797,481	-
\$ 1,325,468	\$ 11,170,043	\$ 109,891	\$ 1,325,468	\$ 11,170,043	\$ 109,891

See Independent Auditors' Report.

STATE OF NEW MEXICO
Lincoln County
County Treasurer's Property Tax Schedule
For the Year Ended June 30, 2016

Agency	Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Ruidoso Schools				
Ed Tech Debt 2015	\$ -	\$ -	\$ -	\$ -
Ed Tech Debt 2014	-	-	-	-
Ed Tech Debt 2013	-	-	-	-
Ed Tech Debt 2012	-	-	-	-
Ed Tech Debt 2011	-	-	-	-
Ed Tech Debt 2010	652,505	(1,131)	651,374	650,849
Ed Tech Debt 2009	714,262	(1,472)	712,790	712,235
Ed Tech Debt 2008	-	-	-	-
Ed Tech Debt 2007	-	-	-	-
Ed Tech Debt 2006	-	-	-	-
Total Ed. Tech Debt	\$ 1,366,767	\$ (2,603)	\$ 1,364,164	\$ 1,363,084
Lincoln County Medical Center				
Levy 2015	\$ 2,369,677	\$ (975)	\$ 2,368,703	\$ -
Levy 2014	2,276,782	3,849	2,280,631	2,181,439
Levy 2013	2,225,078	6,244	2,231,322	2,190,347
Levy 2012	2,176,062	4,736	2,180,797	2,168,481
Levy 2011	2,093,924	1,462	2,095,385	2,092,978
Levy 2010	2,010,468	(3,813)	2,006,655	2,005,205
Levy 2009	1,952,773	3,229	1,956,002	1,955,035
Levy 2008	1,779,389	390	1,779,779	1,779,057
Levy 2007	1,732,400	(90)	1,732,310	1,731,796
Levy 2006	1,519,158	1,195	1,520,353	1,519,955
Total LCMC	\$ 20,135,710	\$ 16,228	\$ 20,151,938	\$ 17,624,292
Rural Clinics				
Levy 2015	\$ 711,203	\$ (292)	\$ 710,910	\$ -
Levy 2014	683,183	1,155	684,339	654,574
Levy 2013	667,527	1,873	669,400	657,107
Levy 2012	652,820	1,422	654,242	650,546
Levy 2011	628,206	439	628,645	627,923
Levy 2010	602,836	(1,179)	601,656	601,257
Levy 2009	585,688	969	586,657	586,368
Levy 2008	533,701	100	533,801	533,601
Levy 2007	412,626	(21)	412,605	412,482
Levy 2006	361,712	281	361,993	361,901
Total Rural Clinics	\$ 5,839,501	\$ 4,747	\$ 5,844,248	\$ 5,085,758

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
182	651,031	343	182	651,031	343
170	712,405	385	170	712,405	385
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 352	\$ 1,363,436	\$ 728	\$ 352	\$ 1,363,436	\$ 728
\$ 2,263,665	\$ 2,263,665	\$ 105,037	\$ 2,263,665	\$ 2,263,665	\$ 105,037
60,841	2,242,280	38,351	60,841	2,242,280	38,351
25,226	2,215,573	15,749	25,226	2,215,573	15,749
8,957	2,177,438	3,359	8,957	2,177,438	3,359
892	2,093,870	1,515	892	2,093,870	1,515
482	2,005,687	968	482	2,005,687	968
285	1,955,320	681	285	1,955,320	681
149	1,779,205	574	149	1,779,205	574
38	1,731,834	476	38	1,731,834	476
-	1,519,955	399	-	1,519,955	399
\$ 2,360,537	\$ 19,984,828	\$ 167,110	\$ 2,360,537	\$ 19,984,828	\$ 167,110
\$ 679,382	\$ 679,382	\$ 31,528	\$ 679,382	\$ 679,382	\$ 31,528
18,256	672,830	11,509	18,256	672,830	11,509
7,568	664,675	4,725	7,568	664,675	4,725
2,687	653,233	1,009	2,687	653,233	1,009
268	628,190	454	268	628,190	454
145	601,401	255	145	601,401	255
86	586,454	204	86	586,454	204
44	533,645	156	44	533,645	156
9	412,491	114	9	412,491	114
-	361,901	91	-	361,901	91
\$ 708,445	\$ 5,794,202	\$ 50,045	\$ 708,445	\$ 5,794,202	\$ 50,045

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 County Treasurer's Property Tax Schedule
 For the Year Ended June 30, 2016

Agency	Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Alpine Village Sanitation				
Levy 2015	\$ 39,200	\$ -	\$ 39,200	\$ -
Levy 2014	39,201	-	39,201	37,833
Levy 2013	38,946	-	38,946	38,043
Levy 2012	38,191	-	38,191	37,356
Levy 2011	36,971	-	36,971	36,851
Levy 2010	36,690	-	36,690	36,568
Levy 2009	36,168	-	36,168	36,168
Levy 2008	34,506	(5)	34,501	34,501
Levy 2007	32,515	-	32,515	32,515
Levy 2006	31,324	704	32,028	32,028
Total Alpine Village	\$ 363,713	\$ 699	\$ 364,412	\$ 321,863
Sun Valley Sanitation				
Levy 2015	\$ 63,083	\$ -	\$ 63,083	\$ -
Levy 2014	63,511	-	63,511	63,008
Levy 2013	63,100	-	63,100	62,943
Levy 2012	60,772	-	60,772	60,689
Levy 2011	59,000	-	59,000	58,980
Levy 2010	57,824	-	57,824	57,824
Levy 2009	57,823	-	57,823	57,823
Levy 2008	55,070	-	55,070	55,070
Levy 2007	56,326	-	56,326	56,326
Levy 2006	46,409	(130)	46,279	46,279
Total Sun Valley	\$ 582,917	\$ (130)	\$ 582,787	\$ 518,943
Alto Lakes Conserv. Dist.				
Levy 2015	\$ -	\$ -	\$ -	\$ -
Levy 2014	-	-	-	-
Levy 2013	-	-	-	-
Levy 2012	-	-	-	-
Levy 2011	-	-	-	-
Levy 2010	-	-	-	-
Levy 2009	-	-	-	-
Levy 2008	-	-	-	-
Levy 2007	43,605	-	43,605	43,605
Levy 2006	43,671	(41)	43,630	43,630
Total Alto Lakes	\$ 87,276	\$ (41)	\$ 87,235	\$ 87,235

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 38,024	\$ 38,024	\$ 1,176	\$ 38,024	\$ 38,024	\$ 1,176
1,214	39,047	154	1,214	39,047	154
783	38,825	121	783	38,825	121
714	38,069	122	714	38,069	122
-	36,851	121	-	36,851	121
-	36,568	122	-	36,568	122
-	36,168	-	-	36,168	-
-	34,501	-	-	34,501	-
-	32,515	-	-	32,515	-
-	32,028	-	-	32,028	-
\$ 40,734	\$ 362,597	\$ 1,815	\$ 40,734	\$ 362,597	\$ 1,815
\$ 62,162	\$ 62,162	\$ 921	\$ 62,162	\$ 62,162	\$ 921
444	63,452	59	444	63,452	59
125	63,069	31	125	63,069	31
63	60,752	20	63	60,752	20
-	58,980	20	-	58,980	20
-	57,824	-	-	57,824	-
-	57,823	-	-	57,823	-
-	55,070	-	-	55,070	-
-	56,326	-	-	56,326	-
-	46,279	-	-	46,279	-
\$ 62,795	\$ 581,737	\$ 1,050	\$ 62,795	\$ 581,737	\$ 1,050
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	43,605	-	-	43,605	-
-	43,630	-	-	43,630	-
\$ -	\$ 87,235	\$ -	\$ -	\$ 87,235	\$ -

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 County Treasurer's Property Tax Schedule
 For the Year Ended June 30, 2016

Agency	Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Carrizozo Soil & Water				
Levy 2015	\$ 64,260	\$ 58	\$ 64,318	\$ -
Levy 2014	43,376	2,645	46,020	45,371
Levy 2013	39,064	2,842	41,906	41,647
Levy 2012	39,000	1,560	40,559	40,484
Levy 2011	38,429	909	39,338	39,324
Levy 2010	37,898	(671)	37,227	37,225
Levy 2009	34,670	1,209	35,879	35,877
Levy 2008	41,313	(628)	40,685	40,684
Levy 2007	27,273	251	27,524	27,524
Levy 2006	27,124	323	27,447	27,446
Total Carrizozo S & W	\$ 392,406	\$ 8,498	\$ 400,904	\$ 335,582
Chaves County Soil & Water				
Levy 2015	\$ 2,781	\$ -	\$ 2,781	\$ -
Levy 2014	2,731	-	2,731	2,661
Levy 2013	2,690	-	2,690	2,690
Levy 2012	2,627	-	2,627	2,627
Levy 2011	2,948	(230)	2,718	2,718
Levy 2010	2,310	-	2,310	2,310
Levy 2009	2,347	(39)	2,308	2,308
Levy 2008	2,021	-	2,021	2,021
Levy 2007	1,987	(3)	1,984	1,984
Levy 2006	1,969	-	1,969	1,969
Total Chaves County SW	\$ 24,410	\$ (272)	\$ 24,139	\$ 21,288
Claunch/Pinto Soil & Water				
Levy 2015	\$ 3,967	\$ -	\$ 3,967	\$ -
Levy 2014	3,925	-	3,925	3,735
Levy 2013	3,875	-	3,875	3,869
Levy 2012	3,594	-	3,594	3,588
Levy 2011	2,975	-	2,975	2,972
Levy 2010	2,389	-	2,389	2,386
Levy 2009	2,484	-	2,484	2,484
Levy 2008	1,597	-	1,597	1,597
Levy 2007	1,230	-	1,230	1,230
Levy 2006	1,345	-	1,345	1,345
Total Claunch/Pinto	\$ 27,383	\$ -	\$ 27,383	\$ 23,207

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 63,400	\$ 63,400	\$ 918	\$ 63,400	\$ 63,400	\$ 918
336	45,708	313	336	45,708	313
183	41,830	76	183	41,830	76
73	40,557	3	73	40,557	3
5	39,329	9	5	39,329	9
-	37,225	2	-	37,225	2
-	35,877	2	-	35,877	2
-	40,684	1	-	40,684	1
-	27,524	-	-	27,524	-
-	27,446	1	-	27,446	1
\$ 63,998	\$ 399,580	\$ 1,325	\$ 63,998	\$ 399,580	\$ 1,325
\$ 2,582	\$ 2,582	\$ 199	\$ 2,582	\$ 2,582	\$ 199
54	2,715	16	54	2,715	16
-	2,690	-	-	2,690	-
-	2,627	-	-	2,627	-
-	2,718	-	-	2,718	-
-	2,310	-	-	2,310	-
-	2,308	-	-	2,308	-
-	2,021	-	-	2,021	-
-	1,984	-	-	1,984	-
-	1,969	-	-	1,969	-
\$ 2,635	\$ 23,923	\$ 215	\$ 2,635	\$ 23,923	\$ 215
\$ 3,629	\$ 3,629	\$ 338	\$ 3,629	\$ 3,629	\$ 338
24	3,759	166	24	3,759	166
-	3,869	6	-	3,869	6
-	3,588	6	-	3,588	6
-	2,972	4	-	2,972	4
-	2,386	4	-	2,386	4
-	2,484	-	-	2,484	-
-	1,597	-	-	1,597	-
-	1,230	-	-	1,230	-
-	1,345	-	-	1,345	-
\$ 3,653	\$ 26,859	\$ 524	\$ 3,653	\$ 26,859	\$ 524

See Independent Auditors' Report.

STATE OF NEW MEXICO
Lincoln County
County Treasurer's Property Tax Schedule
For the Year Ended June 30, 2016

Agency	Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
Upper Hondo Soil & Water				
Levy 2015	\$ 257,289	\$ (97)	\$ 257,192	\$ -
Levy 2014	249,223	435	249,658	241,734
Levy 2013	240,169	445	240,614	237,886
Levy 2012	235,421	468	235,889	235,012
Levy 2011	224,335	(6)	224,328	224,122
Levy 2010	219,065	(223)	218,842	218,698
Levy 2009	213,135	161	213,296	213,212
Levy 2008	100,244	80	100,324	100,315
Levy 2007	94,828	30	94,858	94,841
Levy 2006	90,057	12	90,069	90,066
Total Upper Hondo	\$ 1,923,767	\$ 1,304	\$ 1,925,070	\$ 1,655,886
Administrative Fee				
Advalorem 2015	\$ 1,897	\$ 8	\$ 1,905	\$ -
Advalorem 2014	1,928	(1)	1,927	1,748
Advalorem 2013	1,898	(17)	1,882	1,807
Advalorem 2012	1,856	(18)	1,838	1,814
Advalorem 2011	1,889	(6)	1,883	1,871
Advalorem 2010	1,977	(28)	1,949	1,945
Advalorem 2009	1,849	(3)	1,846	1,841
Advalorem 2008	2,003	-	2,003	1,985
Advalorem 2007	2,050	(9)	2,041	2,036
Advalorem 2006	2,183	(5)	2,178	2,178
Total Administrative Fees	\$ 19,530	\$ (78)	\$ 19,452	\$ 17,224
Non Rendition Fees				
Advalorem 2015	\$ -	\$ -	\$ -	\$ -
Advalorem 2014	-	167	167	167
Advalorem 2013	-	50	50	50
Advalorem 2012	-	-	-	-
Advalorem 2011	-	-	-	-
Advalorem 2010	-	-	-	-
Advalorem 2009	-	122	122	122
Advalorem 2008	-	383	383	382
Advalorem 2007	-	121	121	121
Advalorem 2006	-	131	131	131
Total Non Rendition Fees	\$ -	\$ 974	\$ 974	\$ 973

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 248,991	\$ 248,991	\$ 8,201	\$ 248,991	\$ 248,991	\$ 8,201
5,252	246,986	2,672	5,252	246,986	2,672
1,985	239,871	743	1,985	239,871	743
680	235,691	198	680	235,691	198
109	224,231	97	109	224,231	97
81	218,779	63	81	218,779	63
47	213,259	37	47	213,259	37
9	100,324	-	9	100,324	-
4	94,845	13	4	94,845	13
-	90,066	3	-	90,066	3
\$ 257,158	\$ 1,913,044	\$ 12,026	\$ 257,158	\$ 1,913,044	\$ 12,026
\$ 1,700	\$ 1,700	\$ 205	\$ 1,700	\$ -	\$ 205
109	1,857	70	109	-	70
31	1,838	44	31	-	44
8	1,822	17	8	-	17
1	1,872	11	1	-	11
-	1,945	4	-	-	4
-	1,841	4	-	-	4
-	1,985	18	-	-	18
-	2,036	5	-	-	5
-	2,178	1	-	2,178	1
\$ 1,848	\$ 19,072	\$ 380	\$ 1,848	\$ 2,178	\$ 380
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	167	-	-	167	-
-	50	-	-	50	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	122	-	-	122	-
-	382	-	-	382	-
-	121	-	-	121	-
-	131	-	-	131	-
\$ -	\$ 973	\$ -	\$ -	\$ 973	\$ -

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 County Treasurer's Property Tax Schedule
 For the Year Ended June 30, 2016

Agency	Property Taxes Levied	Current Changes To Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected
GRAND TOTALS	\$ 238,170,772	\$ 94,185	\$ 238,264,960	\$ 206,867,392
2015	\$ 29,326,553	\$ (13,581)	\$ 29,312,971	\$ -
2014	28,309,538	19,967	28,329,506	27,022,069
2013	26,825,928	60,243	26,886,171	26,352,458
2012	25,654,224	42,640	25,696,864	25,532,264
2011	24,699,994	12,815	24,712,809	24,683,217
2010	24,069,114	(56,061)	24,013,053	23,994,777
2009	22,881,503	22,886	22,904,389	22,892,062
2008	20,697,039	(5,516)	20,691,523	20,682,864
2007	18,989,158	(2,325)	18,986,833	18,981,231
2006	16,717,722	13,118	16,730,840	16,726,450
	<u>\$ 238,170,772</u>	<u>\$ 94,185</u>	<u>\$ 238,264,960</u>	<u>\$ 206,867,392</u>

See Independent Auditors' Report.

Collected In Current Year	Collected To Date	Sum Levy Less Collection	Distributed In Current Year	Distributed To Date	County Receivable at Year End
\$ 29,182,087	\$ 236,049,483	\$ 2,215,470	\$ 29,182,087	\$ 236,029,477	\$ 2,215,469
\$ 27,927,861	\$ 27,927,861	\$ 1,385,110	\$ 27,927,861	\$ 27,925,660	\$ 1,385,110
786,400	27,808,469	521,031	786,400	27,806,133	521,030
323,740	26,676,201	209,970	323,740	26,673,928	209,970
120,892	25,653,156	43,708	120,892	25,651,211	43,707
10,828	24,694,045	18,764	10,828	24,691,651	18,764
6,168	24,000,945	12,108	6,168	23,998,754	12,108
3,853	22,895,915	8,475	3,853	22,893,787	8,475
1,953	20,684,817	6,706	1,953	20,682,344	6,706
392	18,981,623	5,209	392	18,979,559	5,209
-	16,726,450	4,389	-	16,726,450	4,390
\$ 29,182,087	\$ 236,049,483	\$ 2,215,470	\$ 29,182,087	\$ 236,029,477	\$ 2,215,469

See Independent Auditors' Report.

(This page intentionally left blank.)

STATE OF NEW MEXICO
 Lincoln County
 Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2016

Schedule VII

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Assets				
<i>Current assets</i>				
Cash	\$ 321,453	\$ 15,843,184	\$ 15,848,198	\$ 316,439
Property taxes receivable	1,193,233	16,206,159	16,185,976	1,213,416
<i>Total current assets</i>	<u>1,514,686</u>	<u>32,049,343</u>	<u>32,034,174</u>	<u>1,529,855</u>
<i>Noncurrent assets</i>				
Capital assets, net	-	32,789	-	32,789
<i>Total noncurrent assets</i>	<u>-</u>	<u>32,789</u>	<u>-</u>	<u>32,789</u>
<i>Total assets</i>	<u>\$ 1,514,686</u>	<u>\$ 32,082,132</u>	<u>\$ 32,034,174</u>	<u>\$ 1,562,644</u>
Liabilities				
Deposits held in trust	\$ 321,453	\$ 15,843,184	\$ 15,848,198	\$ 316,439
Asset held in trust	-	32,789	-	32,789
Due to other taxing entities	1,193,233	16,206,159	16,185,976	1,213,416
<i>Total liabilities</i>	<u>\$ 1,514,686</u>	<u>\$ 32,082,132</u>	<u>\$ 32,034,174</u>	<u>\$ 1,562,644</u>

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Lincoln County
 Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2016

Prepared by: Lincoln County Title: Finance Director

Date: June 30, 2016

RFP#/ RFB#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract
14-15-004	BID	Roper Const.	\$1,006,491	N/A
15-16-001	BID	King Ind.	\$18.50 Delivered \$12.50 Picked Up	N/A
15-16-002		Sierra Contracting	\$593,400	
15-16-005	BID	Mesa Verde Enterprises, Inc. Ruidoso Sand & Gravel	\$7.00 per ton/15.65 per ton 11.50 per ton	N/A
15-16-006	BID	Golden Eq., Co.	\$104,045	N/A
15-16-008		Mesa Verde Enterprises	\$170,239.82	Optional triple penetration \$59,486
15-16-010	BID	Mesa Verde Enterprises	\$162,000	N/A
15-16-011	BID	SZ Enterprises	\$85,020	N/A

See Independent Auditors' Report.

Name and Physical Address per the Procurement Documentation, of <u>ALL</u> Vendors that Responded	In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor In-State and Chose Veteran's Preference (Y or N) For Federal Funds Answer N/A	Brief Description of the Scope of Work
Roper Const. PO Box 969 Alto , AIC General Contractor 2703 G-Broadbent Parkway NE, Alb, Armor Construction 11841 Emily Ct., El Paso, Basic IDIQ 3924 Carlisle Blvd NE Ste 4 Alb Classic Industries, Inc. PO Box 434 Dona Ana Jaynes Corp 1412 Portland Dr. Ste A, Las Cruces, JRP Master Builders 2959 Sudderth Dr. Ruidoso, Longhorn Construction Services, Inc. 9208 Lona Lane NE, Alb, Pavilion Construction, LLC 7820 Pan American East Fwy NE Ste 4 Alb,	In-State/Yes	In-State/Yes Did Not chose Veteran's preference	Build Senior Ctr.
King Ind. PO Box 273 Alto,	In-State/Yes	In-State/Yes Did Not	FEMA
Disasters Strategies & Ideas Group, LLC PO Box	In-State/Yes	Chose Veteran's	
Sierra Contracting, Inc.	In-State/Yes	In-State/Yes Did Not	Solid Waste Services
Mesa Verde Enterprises, Inc./396 La Luz Gate Rd.	In-State/Yes	In-State/Yes Did Not	Supply
Alamogordo N.M. Ruidoso Sand & Gravel 321	In-State/Yes	Chose Veteran's	
Golden Eq., Co 721 Candelaria Rd. Alb. Power	In-State/Yes	In-State/Yes Did Not	Screen for road work
Screening LLC. 100 Barr Ave. SE Alb. The	In-State/Yes	Chose Veteran's	
Western Group/Southwest 5811 Edith Blvd. NE		Preference	
Alb.,			
Mesa Verde Enterprises, Inc./396 La Luz Gate Rd.	Yes	did not chose veteran's	Chip Seal Cora Dutton Rd.
Alamogordo N.M. Blue Collar Construction LLC		preference	
PO Box 23182 Alb. GM Emulsion, LLC 5935			
Agua Fria, Santa Fe.			
Mesa Verde Enterprises, Inc./396 La Luz Gate Rd.	Yes	did not chose veteran's	Patching
Alamogordo N.M.		preference	
SZ Enterprises, LLC PO Box 1125 Alto	Yes	did not chose veteran's	Mitigation
		preference	

See Independent Auditors' Report.

(This page intentionally left blank.)

COMPLIANCE SECTION

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

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The U.S. Office of Management and Budget and
The Lincoln County Commissioners
Lincoln County
Carrizozo, New Mexico

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the General Fund and major special revenue funds of Lincoln 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 October 24, 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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less than 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 controls that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See items FS 2014-002 and FS 2015-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

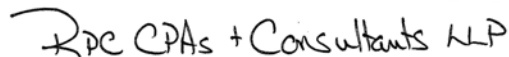
We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of Section 12-6-5 NMSA 1978 Findings as items NM 2016-001 and NM 2016-002.

County's Response to Findings

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

Purpose of this Report

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



RPC CPAs + Consultants, LLP
Albuquerque, New Mexico
October 24, 2016

(This page intentionally left blank.)

FEDERAL FINANCIAL ASSISTANCE

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

INDEPENDENT AUDITORS' REPORT

Timothy M. Keller
New Mexico State Auditor
The U.S. Office of Management and Budget and
The Lincoln County Commissioners
Lincoln County
Carrizozo, New Mexico

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as FA 2016-001, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding 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.

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

RPC CPAs + Consultants LLP

RPC CPAs + Consultants, LLP
Albuquerque, New Mexico
October 24, 2016

STATE OF NEW MEXICO
 Lincoln County
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2016

Federal Grantor/Passthrough Grantor/Program Title	Grant Number
U.S. Department of Agriculture	
Passed through the New Mexico Energy, Minerals and Natural Resources Department	
Cooperative Forestry Assistance	14-DG-11031600-068
Cooperative Forestry Assistance	14-DG-11031600-073
Secure Payments for Counties Containing Federal Land - Schools and	
Roads - Grants to States *	P.L 114-10
Schools and Roads - Grants to States - Title III Firewise *	P.L 114-10
US Forest Service Patrol Reimbursement	12-LE-11030800-001
Total U.S. Department of Agriculture	
U.S. Department of Justice	
BJA Bulletproof Vest Grant	
Total U.S. Department of Justice	
Executive Order of the President	
Passed through Lea County	
HIDTA	G-14SN0017A
Department of Human Services	
Passed through the New Mexico Agency on Aging	
Aging Cluster - Title III B - Grants for Supportive Services and Senior	
Centers	2010-11 68030
Aging Cluster - Nutrition Services Incentive Program	
Total Department of Human Services	
Department of Homeland Security	
Passed through the New Mexico Department of Homeland Security and Emergency Management	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	FEMA-4148-012
Total Department of Homeland Security	
Department of Housing and Urban Development	
Passed through the New Mexico Department of Finance and Administration	
Community Development Block Grant - States' Program *	13-C-RS-I-03-G-028
Total Department of Housing and Urban Development	

Total Federal Financial Assistance

* Major Program
 () Denotes Cluster

See Independent Auditors' Report.
 See accompanying notes to schedule of expenditures of federal awards.

<u>Federal C.F.D.A. Number</u>	<u>Federal Expenditures</u>	<u>Funds Provided to Subrecipients</u>	<u>Noncash Assistance</u>
10.664	\$ 86,779	\$ -	\$ -
10.664	20,190	-	-
10.665 (1)	135,527	-	-
10.666 (1)	21,981	-	-
10.670	12,632	-	-
	<u>277,109</u>	<u>-</u>	<u>-</u>
16.607	3,750	-	-
	<u>3,750</u>	<u>-</u>	<u>-</u>
95.001	72,157	-	-
	<u>72,157</u>	<u>-</u>	<u>-</u>
93.044 (2)	87,096	-	-
93.053 (2)	41,261	-	-
	<u>128,357</u>	<u>-</u>	<u>-</u>
97.036	55,599	-	-
	<u>55,599</u>	<u>-</u>	<u>-</u>
14.228	388,394	-	-
	<u>388,394</u>	<u>-</u>	<u>-</u>
	<u>\$ 925,366</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report.
See accompanying notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Basis of Presentation

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

Loans

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

10% de minimus Indirect Cost Rate

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

Federally Funded Insurance

The County has no federally funded insurance.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$	925,366
Total expenditures funded by other sources		<u>21,331,173</u>
<i>Total expenditures</i>	\$	<u><u>22,256,539</u></u>

STATE OF NEW MEXICO
 Lincoln County
 Schedule of Findings and Questioned Costs
 June 30, 2016

Section I – Summary of Auditors’ Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None Noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | None Noted |

Federal Awards:

- | | |
|--|------------|
| 1. Type of auditors’ report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | None Noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | Yes |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
14.228	Community Development Block Grant – States’ Program
10.665 & 10.666	Forest Reserve – Schools and Roads – Grants to States

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee? | No |

Section II – Financial Statement Findings

FS 2014-002 – Internal Controls over Inventory (Repeated/Modified) – Significant Deficiency

Condition: During our testwork we noted that the fuel inventory is accessible by multiple people within the County and restricted access and monitoring controls are not in place for the year ended June 30, 2016. The tracking of fuel inventory is still inconsistent and it was noted during observation that the fuel meters are not reading correctly and that the inventory listing can be modified and adjusted with no documentation. We also noted that in 2 out of 4 test counts of tire and culvert inventory, the Road Department was unable to reconcile differences in the unit counts. In the prior year the County indicated they were conducting research regarding the purchase of meters to keep track of fuel inventory, but a new tracking system was not in place until July 2016.

Criteria: The COSO Internal Control Integrated Framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication and monitoring. With these elements in place, the County can maximize its potential for achieving its performance targets and reduce the risk of loss of resources.

Effect: Without all of the five elements of the COSO Internal Control Integrated Framework present, the County is exposing itself to the risk of misappropriation of assets.

Cause: The County has not implemented proper internal controls in order to verify that all inventory is properly safeguarded and not missing or stolen.

Auditors' Recommendations: We recommend that the County implement an internal control process, including regular inventory counts, in order to properly safeguard County inventory. It is noted that in July 2016, the County installed a computer tracking system for the fuel tanks that can run up to date reports on the amount of fuel in the tank as well as the name of the employee who withdrew fuel from the tank.

Agency's Response: As noted, the County did install the computer tracking system for the fuel tanks that will run up-to-date reports on individual fuel usage. County Road Superintendent will implement additional internal control processes, including formal review process of usage, and submission of monthly report to County Manager.

Section II – Financial Statement Findings (continued)

FS 2015-002 Deficiencies in Solid Waste Internal Control Structure Design, Operation, and Oversight over Solid Waste (Repeated/Modified) – Significant Deficiency

Condition: During our process of understanding the County's new Solid Waste billing and collection procedures, we noted instances where elements of the County's internal control framework were deficient. In the prior year the County indicated they had taken steps to improve segregation of duties with cash deposits and account adjustments to Solid Waste customers. However, it was noted that the County's risk assessment, control activities, and monitoring elements were not documented, sufficiently designed or implemented for the following:

- The County did not keep records of their review process of the Solid Waste receivables in 1 of the 5 receipts tested.
- There is a lack of segregation of duties among the responsibilities of the Solid Waste Clerk. As of year end at June 30, 2016, the clerk had the authority to bill solid waste customers, make adjustments to customer accounts such as void transactions, and even stop customer billings. Although the clerk must provide the assessor notes to why adjustments are made, the clerk still has the authority to make changes to customer accounts that are not always reviewed and approved by management.
- As of June 30, 2016 the Board of Commissioners has not finalized policies regarding the estimation of uncollectible accounts.

Criteria: The COSO Internal Control Integrated Framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication, and monitoring. With these elements in place, the County can maximize its potential for achieving its performance targets and reduce the risk of loss of resources.

Effect: Without all of the five elements of the COSO Internal Control Integrated Framework present, the County is exposing itself to the risk of misappropriation of assets and does not have set processes in place to maximize the resources of the County to achieve the goals set forth by the County.

Cause: The County implemented this service in January 2015 and is still in the process of implementing proper controls and policy and procedures over solid waste billings in order to prevent and detect errors or fraud.

Auditors' Recommendation: The County should implement policies and procedures over Solid Waste, including a review process of all cash deposits and customer account adjustments and proper segregation of duties with regards to adjustments to customer accounts. Also, the Board of Commissioners should implement a final policy regarding their estimate of uncollectible accounts.

Agency's Response: This is the County's 2nd year of providing Solid Waste Billing and Collection service, and we continue to identify problems and develop processes for resolution. The Finance Director does run an additional report to double-check the report that is currently developed and provided by the Solid Waste Billing Clerk. The Finance Director has implemented the procedure to ensure that the Solid Waste Billing Clerk does not make changes to any account, other than to void a misapplied payment, (incorrect amount or wrong account written on check). Any other recommended adjustments are provided to the Finance Director; with appropriate supporting documentation provided by the Assessor's Department.

The Board of Commissioners did, in a Regular Meeting held on March 15, 2016, approve the policy, by Ordinance 2016-01, to file property liens on uncollectible accounts. In its August 16, 2016 Regular Meeting, the Commission also authorized the filing of property liens on existing accounts with balances accrued since January, 2015. (See excerpts from minutes of August 16, 2016 meeting below). The County will additionally develop and adopt a final policy regarding its estimate of uncollectible accounts.

Section II – Financial Statement Findings (continued)

AGENDA ITEM 18 (August 16, 2016 Commission Meeting: Solid Waste Collection Services)

1) Authorization to File Liens on All Property Owners Listed on Non-Payment List

Ms. Taylor reminded two new Administrative Fees related to Solid Waste Collection Services were approved by Resolution 2015-45 during the Regular June Meeting. Ms. Taylor stated the Resolution authorized the imposition of a fee of \$100 for the filing of a lien for non-payment of solid waste collection service charges and an additional fee of \$100 to file a release of lien. Ms. Taylor noted when the Resolution was adopted there were 377 solid waste accounts with outstanding balances dating back to the County's initial billing in January of 2015. Ms. Taylor stated since adoption of the fees 63 accounts or 23% of those were paid.

Ms. Taylor stated initial steps to begin filing liens including development of a current list of delinquent accounts and obtaining a copy of the current deed for each of those accounts was completed.

Attorney Morel requested the list of accounts identified and approved for the filing of liens be incorporated into the record. Attorney Morel stated his office would develop a memorandum detailing the process to prepare and file a lien for non-payment of solid waste billings and staff would also assist with training County staff to complete the process.

There was a general discussion about providing additional notice to the public regarding the placement of liens and the effect of placement of the liens.

Commissioner Stewart questioned how the County would deal with ongoing charges to accounts for which a lien was previously filed. Attorney Morel suggested an annual review of the accounts and filing of a follow up lien similar to the process utilized for noncompliance with the Lincoln County Alarm Permit Ordinance.

Commissioner Willard suggested publishing the list of outstanding accounts in the local papers prior to the placement of liens giving residents additional opportunity to respond.

Attorney Morel stated the publication of the list was similar to publication of the delinquent property tax list and would serve as additional notice prior to filing of liens.

Commissioner Draper stated support for publication of an initial notice of the intent to file liens followed by a separate publication of the list of accounts.

Motion: Approve the filing of liens for delinquent solid waste accounts after prior publication of the list in local papers including notice of the actual filing date for the liens, Action: Approve, Moved by Commissioner Willard, Seconded by Chair Stone.

Vote: Motion passed by roll call vote (summary: Yes = 3, No = 2, Abstain = 0).

Yes: Chair Stone, Commissioner Stewart, Commissioner Willard.

No: Commissioner Allen, Commissioner Draper.

Section III – Federal Award Findings

FA 2016-001 – Preparation of the Schedule of Federal Expenditures (SEFA) – Significant Deficiency

Federal Program Information:

Funding Agency: Department of Housing and Urban Development
Title: Community Development Block Grant
CFDA: 14.228

Condition: The County failed to produce an accurate original SEFA, and in the review process of the SEFA, it was noted that expenditures for the Community Development Block Grant were inaccurately reported on the SEFA and that the County's total federal expenditures were above the threshold requirement of the Single Audit Act.

Criteria: 2 CFR part 215 requires that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good internal controls require that management have procedures in place for identifying federal, state, and other awards, properly classifying expenditures in the correct programs and under the correct CFDA numbers, and ensuring that expenditures reported for federal programs are accurate.

Questioned Costs: None

Effect: Without proper grant awards and expenditures reported on the SEFA, it is impossible to properly assess programs in order to select grants and test in accordance with the Single Audit Act. Also, without proper processes and internal controls to properly track federal expenditures by grant, the risk of noncompliance and unallowable costs are heightened.

Cause: An accurate SEFA was not originally produced due to oversights by management resulting in a failure to accurately transfer information from the individual grants to the SEFA.

Auditors' Recommendation: The County should ensure that a comprehensive internal control structure is designed, documented, and implemented to ensure all grants transactions are properly tracked and all information is accurately documented on the SEFA.

Agency's Response: The County agrees that it must design, document, and implement a more comprehensive internal control structure to ensure all grant transactions are properly tracked and all information is accurately documented on the SEFA. This comprehensive internal control structure will be designed and implemented by the County Manager by November 30, 2016, and implemented immediately upon completion.

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

NM 2016-001 – Travel and Per Diem – Other Noncompliance

Condition: During our testwork over Travel and Per Diem, we noted that in 5 out of 15 items tested, the County paid mileage reimbursement in the amount of \$0.55 per mile during the period of January 29, 2016 through June 30, 2016. This mileage reimbursement rate exceeded the statutory rate of \$0.54 during that six month period. In the prior year the County responded that new procedures were implemented to eliminate incorrect payments of travel and per diem, and it was noted that the reason behind the prior year finding of overpaying for overnight travel was not repeated in our sample tested. However, a change in the statutory rates was not implemented in these 5 items tested. The prior year finding due to an overpayment of overnight travel was resolved.

Criteria: The Per Diem and Mileages Act, NMAC 2.42.2.11 (C) states that public officers and employees of local public bodies may be reimbursed for mileage accrued in the use of a private conveyance in the discharge of official duties, at the statutory rates unless such rates have been reduced by the governing bodies of the local public body pursuant to Section 10-8-5 (D) NMSA 1978.

Effect: The County overpaid mileage reimbursement for a period of six months.

Cause: The County incorrectly paid mileage reimbursements submitted between January through June 2016 at a rate of \$0.55 per mile, but the IRS changed the mileage rate to \$0.54 per mile, effective January 1, 2016.

Auditors' Recommendations: We recommend that the County more closely monitor their reimbursements and changes to statutory rates in order to verify proper payment of per diem and mileage reimbursements.

Agency's Response: The Board of Commissioners took action during the September 9, 2016 Special Meeting to change the Per Diem and Mileage Policy by Resolution 2016-10 to reflect the mileage rate from \$0.55 per mile to \$0.54 per mile. The County Manager, Finance Director, and Administrative Assistant/HR Director will annually ensure that the rate is correct on the first business day in January.

NM 2016-002 – Noncompliance in Progress Reporting – Other Noncompliance

Condition: During our testwork over the Community Development Block Grant, which is administered to the County through the New Mexico Department of Finance and Administration, it was noted that one of the required Quarterly Progress Reports under the grant agreement was submitted after the deadline detailed in the grant agreement.

Criteria: Per Article III of the Community Development Block Grant Agreement for Project No. 13-C-RS-I-03-G-028 between New Mexico Department of Finance and Administration and Lincoln County, the grantee (Lincoln County) must submit progress reports to DFA on a quarterly basis and shall be due no later than twenty (20) days after the end of each quarter during the term of the agreement.

Effect: Noncompliance with grant agreement terms could lead to the loss of grant funding.

Cause: Fourth Quarter Progress Report for the period ending June 30, 2016 was not signed by the County's fiscal agent until August 8, 2016, resulting in a late submittal of this report.

Auditor' Recommendation: We recommend the County more closely monitor their grant requirements and closely monitor all parties who participate in the activities under the grant agreement to ensure all requirements are followed under the agreement's terms.

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

NM 2016-002 – Noncompliance in Progress Reporting – Other Noncompliance (continued)

Agency Response: The County agrees with the recommendation to more closely monitor its grant requirements and more closely monitor all parties who participate in the activities under the grant agreement to ensure all requirements are followed under the agreement's terms. One of the County's plans to more closely monitor all parties' participation in the process is to reduce the number of parties participating. This particular Community Development Block Grant was administered by a third party Fiscal Agent, the Southeast NM Economic Development District (SNMEDD), which resulted in increased coordination among Participants, a greater exchange and verification of information, and an additional time to process reports.

Section V – Prior Year Audit Findings

FS 2014-002- Internal Controls over Inventory – Repeated/Modified

FS 2014-003- Travel and Per Diem – Resolved

FS 2015-001- Preparation of Accounts Receivable- Resolved

FS 2015-002- Deficiencies in Solid Waste Internal Control Structure Design, Operation, and Oversight – Repeated/Modified

FS 2015-003- Cash Appropriation in Excess of Available Cash Balances - Resolved

(This page intentionally left blank.)

STATE OF NEW MEXICO

Lincoln County
Other Disclosures
June 30, 2016

Other Disclosures

Exit Conference

An exit conference was held on October 24, 2016. In attendance were the following:

Representing Lincoln County:

Dr. Lynn Willard, County Commissioner
Nita Taylor, County Manager
Charlene "Punkin" Schlarb, Finance Director
Beverly Calaway, County Treasurer
Sherri Huddleston, County Deputy Treasurer
Toni Foligno, Inventory Assets Clerk

Representing RPC CPAs + Consultants, LLP:

Ray Roberts, CPA, Managing Partner

Auditor Prepared Financial Statements

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