

**STATE OF NEW MEXICO
LINCOLN COUNTY**

**ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2018



**STATE OF NEW MEXICO
LINCOLN COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

TABLE OF CONTENTS

	<u>Page No.</u>
INTRODUCTORY SECTION:	
Official Roster	iv
FINANCIAL SECTION	
Independent Auditors' Report	1 – 3
Management's Discussion and Analysis.....	4 – 12
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	15 - 16
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18 - 19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures & Changes in Fund Balance – Budget (Non- GAAP Budgetary Basis) and Actual (Non-GAAP Budgetary Basis):	
General Fund.....	21
Road Fund	22
Corrections Center.....	23
Lincoln County Medical Center.....	24
Lincoln County Medical Center Lease Fund.....	25
Statement of Fiduciary Assets and Liabilities – Agency Funds	26

**STATE OF NEW MEXICO
LINCOLN COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

TABLE OF CONTENTS (continued)

NOTES TO FINANCIAL STATEMENTS 27 - 63

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the County's Proportionate Share of the Net Pension Liability of
PERA – Fund Division Municipal General 65

Schedule of the County's Proportionate Share of the Net Pension Liability of
PERA – Fund Division Municipal Police 66

Schedule of the County's Contributions – Fund Division Municipal General 67

Schedule of the County's Contributions – Fund Division Municipal Police 68

Schedule of the County's Proportionate Share of the Net OPEB Liability..... 69

Schedule of the County's OPEB Contributions 70

Notes to Required Supplementary Information 71

SUPPLEMENTAL INFORMATION

Nonmajor Governmental Funds (Descriptions) 73 - 76

Balance Sheet – Nonmajor Governmental Funds By Fund Type 77 - 84

Statement of Revenues, Expenditures and Changes in Fund
Balance – Nonmajor Governmental Funds by Fund Type 85 - 92

Fiduciary Fund (Descriptions) 93

Schedule of Changes in Assets and Liabilities
– Agency Funds.....94

OTHER SUPPLEMENTARY INFORMATION

Tax Roll Reconciliation – Changes in Property Tax Receivable 96

Property Tax Schedule.....97 - 113

List of Individual Deposit and Investment Accounts 114

Schedule of Pledged Collateral 115 - 116

**STATE OF NEW MEXICO
LINCOLN COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

TABLE OF CONTENTS (continued)

COMPLIANCE SECTION

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matter Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	117 - 118
Schedule of Findings and Responses	119 - 123
Exit Conference	124

**STATE OF NEW MEXICO
LINCOLN COUNTY
OFFICIAL ROSTER
AS OF JUNE 30, 2018**

ELECTED OFFICIALS

Preston Stone County Commissioner - Chairman
Dallas Draper County Commissioner – Vice Chair
Elaine Allen County Commissioner
Dr. Lynn Willard..... County Commissioner
Thomas F. Stewart..... County Commissioner
Walter Hill..... County Assessor
Rhonda Burrows County Clerk
Robert Shepperd..... County Sheriff
Beverly Calaway County Treasurer
Stirling Spencer..... County Probate Judge

ADMINISTRATIVE OFFICIAL

Nita Taylor.....County Manager
Charlene “Punkin” Schlarb..... Finance Director
Sherrie Huddleston Chief Deputy Treasurer
Billie-Jo Guevara..... Human Resources Director
Orlando Samora Purchasing Agent
Rhonda Edwards..... Finance Officer
Linda Phillips Solid Waste Clerk
Toni Foligno Inventory Assets Clerk



INDEPENDENT AUDITORS' REPORT

Honorable Brian S. Colón, Esq.
New Mexico State Auditor
Santa Fe, New Mexico
and
Honorable Members of the Board of 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, 2018, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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, 2018, 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.

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 4 through 12, the *County's Proportionate Share of the Net Pension Liability* and their *Proportionate Share of the OPEB Liability* on pages 65, 66 and 69, the *Schedule of the County's Contributions* on pages 68, 69 and 70, and the notes to the required supplementary information, on page 71 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 and historical context. We have applied certain limited procedures to the Schedule of the *County's Proportionate Share of the Net Pension Liability* and *County's Proportionate Share of the OPEB Liability* in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the County's financial statements, the combining and individual fund financial statements for all non-major funds, and the budgetary comparisons. The other schedules required by Section 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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, the other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2019 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.

Kubiak Melton & Associates, LLC

Kubiak Melton & Associates, LLC
Auditors – Business Consultants - CPAs

Albuquerque, New Mexico
February 4, 2019

**STATE OF NEW MEXICO
LINCOLN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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, 2018. 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 \$48,706,000 (*net position*). Of this amount, \$3,424,837 (*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 \$2,164,194. The increase is due to an increase in revenues.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,894,327.
- Deferred outflows of resources of \$2,260,116, deferred inflows of resources of \$2,112,557 and a net pension liability of \$7,897,408 related to a pension plan are reported in the Statement of Net Position at June 30, 2018. 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).

**STATE OF NEW MEXICO
LINCOLN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
JUNE 30, 2018**

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 on pages 13 and 14 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.

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 Capital Projects 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 Capital Projects 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 nonmajor governmental funds include budgetary comparison data.

The basic governmental fund financial statements can be found on pages 15 - 20 of this report.

**STATE OF NEW MEXICO
LINCOLN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
JUNE 30, 2018**

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 on page 27 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 29-61 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 69-88 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve 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 \$48,706,000 and \$51,998,737 at the close of the fiscal years ended June 30, 2018 and June 30, 2017, respectively.

A large portion of the County's net position 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 of Lincoln County's net position of \$48,706,000 represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$3,424,837, may be used to meet the government's ongoing obligations to citizens and creditors.

**STATE OF NEW MEXICO
LINCOLN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
JUNE 30, 2018**

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, 2018:

	<u>2018</u>	<u>2017</u>
ASSETS AND DEFERRED INFLOWS OF RESOURCES		
Current and Other Assets	\$ 50,528,695	\$ 51,346,953
Capital Assets, Net	40,885,109	37,468,573
Deferred Outflows of Resources	<u>2,260,116</u>	<u>3,582,338</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 93,673,920</u>	<u>\$ 92,397,864</u>
 LIABILITIES AND NET POSITION		
LIABILITIES		
Current Liabilities	\$ 2,147,103	\$ 1,629,070
Non-current Liabilities	40,708,260	38,530,190
Deferred Inflows of Resources	<u>2,112,557</u>	<u>239,867</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>44,967,920</u>	<u>40,399,127</u>
 NET POSITION		
Net Investment in Capital Assets	12,119,019	8,087,954
Restricted	33,162,144	40,358,094
Unrestricted, Reported in:		
General Fund	<u>3,424,837</u>	<u>3,552,689</u>
TOTAL NET POSITION	<u>48,706,000</u>	<u>51,998,737</u>
TOTAL LIABILITIES AND NET POSITION AND DEFERRED INFLOWS OF RESOURCES	<u>\$ 93,673,920</u>	<u>\$ 92,397,864</u>

Changes in Net Position

Per the Statement of Activities, The County's total revenues of \$28,862,434, program expenses of \$26,691,614, and other financing uses of \$6,626 resulted in a change in net position of \$2,164,194. The County maintained a favorable budget to actual expenditure variance in all funds.

**STATE OF NEW MEXICO
LINCOLN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
JUNE 30, 2018**

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, 2018 and June 30, 2017:

	<u>2018</u>	<u>2017</u>
PROGRAM REVENUES		
Charges for Services	\$ 4,450,330	\$ 4,881,422
Operating Grants and Contributions	2,455,888	2,267,276
Federal Sources	<u>336,930</u>	<u>4,438,012</u>
TOTAL PROGRAM REVENUES	<u>7,243,148</u>	<u>11,586,710</u>
GENERAL REVENUES		
Property Taxes	15,172,909	13,848,137
Gross Receipt Taxes	1,365,120	1,209,112
Gasoline and Motor Vehicle Taxes	524,231	606,386
Other Taxes	72,566	67,233
Payments in Lieu of Taxes	1,952,183	1,767,039
Interest Income	2,243,857	181,162
Special Assessments	35,957	264,131
Miscellaneous Income	354,835	576,655
Gain (Loss) on Disposal of Capital Assets	<u>(108,998)</u>	<u>26,443</u>
TOTAL GENERAL REVENUES	<u>21,612,660</u>	<u>18,546,298</u>
TOTAL REVENUES	<u>28,855,808</u>	<u>30,133,008</u>
EXPENDITURES		
General Government	5,524,422	5,367,051
Public Safety	7,876,872	8,397,935
Public Works	6,166,873	5,479,383
Culture and Recreation	1,182,180	280,366
Health and Welfare	4,229,982	4,640,613
Debt Service Interest	<u>1,711,285</u>	<u>1,721,081</u>
TOTAL EXPENDITURES	<u>26,691,614</u>	<u>25,886,429</u>
INCREASE IN NET POSITION	<u>2,164,194</u>	<u>4,246,579</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	9,553,710	-
Transfers Out	<u>(9,553,710)</u>	<u>(2,854,246)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(2,854,246)</u>
CHANGE IN NET POSITION	<u>2,164,194</u>	<u>1,392,333</u>
NET POSITION, BEGINNING OF YEAR	51,998,737	50,606,404
RESTATEMENT	<u>(5,456,931)</u>	<u>-</u>
NET POSITION, AS RESTATED	<u>46,541,806</u>	<u>50,606,404</u>
NET POSITION, END OF YEAR	<u>\$ 48,706,000</u>	<u>\$ 51,998,737</u>

**STATE OF NEW MEXICO
LINCOLN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
JUNE 30, 2018**

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 \$48,923,996. Of this total amount, \$7,891,827 constitutes *unassigned fund balance*, which is available for spending at the government's discretion, while \$41,032,169 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 \$7,894,327, while total fund balance was \$9,968,755.

The Road Fund has a total fund balance of \$1,043,713. At the end of the current fiscal year, all of the fund balance was restricted for the Maintenance of Roads, \$141,902 was nonspendable in inventory and \$326,629 was restricted for minimum fund balance.

The Corrections Fund has a total fund balance of \$211,520. At the end of the current fiscal year, all of the fund balance was committed for the Detention Facility.

The Lincoln County Medical Center Fund has a total fund balance of \$2,410,369, all of which is *committed* for the Lincoln County Medical Center.

The Lincoln County Medical Center Construction Fund has a total fund balance of \$29,903,924, all of which is *restricted* for the Lincoln County Medical Center construction.

The Lincoln County Medical Center Lease Fund has a total fund balance of \$2,705,177, all of which 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.

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.

**STATE OF NEW MEXICO
LINCOLN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
JUNE 30, 2018**

The total increase in budgeted expenditures from the original and final budgets in the general fund was \$273,803. Included in this was capital outlay, which had a budget increase during the year of \$100,000.

The following table examines the summary budget performance of the major and aggregate non-major funds for the fiscal year ending June 30, 2018. 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>Fund</u>	<u>Final Budget</u>	<u>Actual on Cash (Budgetary Basis</u>	<u>Favorable (Unfavorable) Variance</u>
General Fund	\$ 8,485,855	\$ 7,240,249	\$ 1,245,606
Road Fund	4,931,295	4,056,267	875,028
Corrections Fund	3,775,599	3,570,516	205,083
Lincoln County Medical Center (LCMC) Fund	2,442,021	2,202,230	239,791
LCMC Construction Fund	24,412,645	4,026,082	20,386,563
Lincoln County Medical Center Lease Fund	224,914	136,394	88,520
Disaster Relief Fund	56,297	-	56,297
Nonmajor Funds	-	-	-
TOTAL EXPENDITURES	<u>\$ 44,328,626</u>	<u>\$ 21,231,738</u>	<u>\$ 23,096,888</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 (continued)
JUNE 30, 2018**

Capital Asset and Debt Administration

Capital Assets

Lincoln County's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$40,885,109 (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, 2018:

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2018</u>
Governmental Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 2,072,465	\$ -	\$ -	\$ -	\$ 2,072,465
Intangible Assets	357,353	-	-	-	357,353
Construction in Progress (CIP)	-	4,302,941	-	(2,089,378)	2,213,563
Total Capital Assets					
Not Being Depreciated	<u>2,429,818</u>	<u>4,302,941</u>	<u>-</u>	<u>(2,089,378)</u>	<u>4,643,381</u>
Capital Assets Being Depreciated					
Buildings	31,040,246	-	25,000	2,900,647	33,915,893
Equipment	20,021,758	1,272,989	503,100	-	20,791,647
Infrastructure	31,640,054	-	-	-	31,640,054
Other Improvements	686,421	331,568	29,310	-	988,679
Total Capital Assets Being Depreciated	<u>83,388,479</u>	<u>1,604,557</u>	<u>557,410</u>	<u>2,900,647</u>	<u>87,336,273</u>
Total Capital Assets	<u>85,818,297</u>	<u>5,907,498</u>	<u>557,410</u>	<u>811,269</u>	<u>91,979,654</u>
Less: Accumulated Depreciation					
Buildings	9,420,238	868,650	20,937	-	10,267,951
Equipment	13,041,749	1,503,636	410,316	-	14,135,069
Infrastructure	25,728,716	787,839	-	-	26,516,555
Other Improvements	159,021	33,108	17,159	-	174,970
Total Accumulated Depreciation	<u>48,349,724</u>	<u>3,193,233</u>	<u>448,412</u>	<u>-</u>	<u>51,094,545</u>
Total Capital Assets being Depreciated, Net	<u>35,038,755</u>	<u>(1,588,676)</u>	<u>108,998</u>	<u>2,900,647</u>	<u>36,241,728</u>
Capital Assets, Net	<u>\$ 37,468,573</u>	<u>\$ 2,714,265</u>	<u>\$ 108,998</u>	<u>\$ 811,269</u>	<u>\$ 40,885,109</u>

The County recognized \$3,193,233 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 notes to the financial statements.

**STATE OF NEW MEXICO
LINCOLN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
JUNE 30, 2018**

Long-term debt

At June 30, 2018, Lincoln County had total gross receipts revenue bonds outstanding of \$1,950,000, secured by pledged gross receipts taxes, GO bonds of \$23,110,000 and loans outstanding to the New Mexico Finance Authority of \$1,730,861.

Lincoln County's outstanding debt at June 30:

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Gross Receipts Revenue Bonds	\$ 1,950,000	\$ 2,140,000
GO Bonds, Series 2017	23,110,000	23,110,000
NMFA Loans	1,730,861	1,927,968
Compensated Absences	209,535	166,069
Total Outstanding Debt	\$ 27,000,396	\$ 27,344,037

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 2018 fiscal year.

At the end of the current fiscal year, fund balance in the general fund was \$9,968,755. It is intended that using this available fund balance will obviate the need to raise taxes or charges during the 2018 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.

**STATE OF NEW MEXICO
LINCOLN COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 22,220,479
Investments	3,177,104
Receivables:	
Property Tax Receivable	1,064,763
Other Taxes	312,510
Other Receivables, Net	533,348
Special Assessment - Current Portion	130,000
Inventory	167,230
Prepaid Expenses	239,683
Total Current Assets	27,845,117
Noncurrent assets:	
Restricted Cash and Cash Equivalents	22,670,659
Special Assessment - Noncurrent Receivable	12,919
Capital Assets	91,979,654
Less: Accumulated Depreciation	(51,094,545)
Total Noncurrent Assets	63,568,687
Deferred Outflows of Resources of Resources:	
Deferred Outflows - Pension Related	2,171,977
Deferred Outflows - OPEB Related	88,139
Total Deferred Outflows of Resources	2,260,116
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 93,673,920
LIABILITIES AND NET POSITION	
Current Liabilities:	
Accounts Payable	\$ 455,043
Accrued Salaries and Benefits	216,945
Accrued Interest Payable	749,213
Accrued Compensated Absences	209,535
Current Portion of Long-term Debt	516,367
Total Current Liabilities	2,147,103
Noncurrent Liabilities:	
Bond Premiums, net of amortization of \$383,718	1,975,229
Net Pension Liability	7,897,408
Net OPEB Liability	4,561,129
Long-term Debt Due After One Year	26,274,494
Total Noncurrent Liabilities	40,708,260
TOTAL LIABILITIES	42,855,363
Deferred Inflows of Resources:	
Deferred Inflows - Pension Related	1,074,455
Deferred Inflows - OPEB Related	1,038,102
Total Deferred Inflows of Resources	2,112,557
NET POSITION	
Net Investment in Capital Assets	12,119,019
Restricted	33,162,144
Unrestricted	3,424,837
Total Net Position	48,706,000
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 93,673,920

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
LINCOLN COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Functions and 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					
Governmental Activities					
General Government	\$ 5,524,422	\$ 1,010,770	\$ 172,482	\$ 2,160	\$ (4,339,010)
Public Safety	7,876,872	843,256	1,395,781	-	(5,637,835)
Public Works	6,166,873	2,294,200	648,151	334,770	(2,889,752)
Culture and Recreation	1,182,180	-	-	-	(1,182,180)
Health and Welfare	4,229,982	302,104	239,474	-	(3,688,404)
Interest on Long-term Debt	1,711,285	-	-	-	(1,711,285)
Total Governmental Activities	<u>\$ 26,691,614</u>	<u>\$ 4,450,330</u>	<u>\$ 2,455,888</u>	<u>\$ 336,930</u>	<u>(19,448,466)</u>
General Revenues:					
Taxes:					
Property Taxes levied for general purposes					15,172,909
Gross Receipts Taxes					1,365,120
Motor Vehicle and Fuel Taxes					524,231
Other					72,566
Payments in Lieu of Taxes					1,952,183
Interest and Investment Earnings					2,243,857
Special Assessment					-
Special Assessment Interest					35,957
Gain (Loss) on Disposal of Assets					(108,998)
Other Financing Uses					(6,626)
Miscellaneous Income					361,461
Subtotal, General Revenues					<u>21,612,660</u>
Change in Net Position					2,164,194
Net Position, Beginning					51,998,737
Restatement					<u>(5,456,931)</u>
Net Position, as Restated					<u>46,541,806</u>
Net Position, Ending					<u>\$ 48,706,000</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
LINCOLN COUNTY
BALANCE SHEET – GOVERNMENTAL FUNDS
AS OF JUNE 30, 2018**

	<u>General Fund</u>	<u>Road Fund</u>	<u>Corrections Center</u>	<u>Lincoln County Medical Center</u>	<u>LCMC Construction</u>
ASSETS					
Cash and Cash Equivalents	\$ 6,832,610	\$ 903,718	\$ 338,511	\$ 2,363,701	\$ -
Restricted Cash	-	-	-	-	20,903,924
Investments	2,890,073	-	-	-	-
Receivables:					
Property Taxes	830,602	-	-	179,040	-
Other Taxes	609	33,564	-	-	-
Other Receivables, Net	28,762	-	84,677	-	-
Special Assessments Receivable	-	-	-	-	-
Inventory	25,328	141,902	-	-	-
Prepaid Expenses	239,683	-	-	-	-
Noncurrent Receivables - Special Assessment	-	-	-	-	-
TOTAL ASSETS	<u>\$ 10,847,667</u>	<u>\$ 1,079,184</u>	<u>\$ 423,188</u>	<u>\$ 2,542,741</u>	<u>\$ 20,903,924</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
LIABILITIES					
Accounts Payable	\$ 102,557	\$ 2,548	\$ 211,668	\$ 59	\$ -
Accrued Salaries and Benefits	<u>159,871</u>	<u>32,923</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>262,428</u>	<u>35,471</u>	<u>211,668</u>	<u>59</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Property Taxes	616,484	-	-	132,313	-
Special Assessment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS	<u>616,484</u>	<u>-</u>	<u>-</u>	<u>132,313</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>878,912</u>	<u>35,471</u>	<u>211,668</u>	<u>132,372</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Inventory	25,328	141,902	-	-	-
Prepaid Expenses	239,683	-	-	-	-
Restricted For:					
Special Revenue Funds	-	575,182	-	-	-
Debt Service Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	20,903,924
Minimum Fund Balance	1,809,417	326,629	-	-	-
Committed For:					
Detention Facility	-	-	211,520	-	-
Lincoln County Medical Center	-	-	-	2,410,369	-
Unassigned, Reported in:					
General Fund	<u>7,894,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>9,968,755</u>	<u>1,043,713</u>	<u>211,520</u>	<u>2,410,369</u>	<u>20,903,924</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 10,847,667</u>	<u>\$ 1,079,184</u>	<u>\$ 423,188</u>	<u>\$ 2,542,741</u>	<u>\$ 20,903,924</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
LINCOLN COUNTY
BALANCE SHEET – GOVERNMENTAL FUNDS (continued)
AS OF JUNE 30, 2018**

	LCMC Lease Fund	Other Governmental Funds	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,706,709	\$ 9,075,230	\$ 22,220,479
Restricted Cash	-	1,766,735	22,670,659
Investments	-	287,031	3,177,104
Receivables:			
Property Taxes	-	55,121	1,064,763
Other Taxes	-	278,337	312,510
Other Receivables, Net	-	419,909	533,348
Special Assessments Receivable	-	130,000	130,000
Inventory	-	-	167,230
Prepaid Expenses	-	-	239,683
Noncurrent Receivables - Special Assessment	-	12,919	12,919
TOTAL ASSETS	<u>\$ 2,706,709</u>	<u>\$ 12,025,282</u>	<u>\$ 50,528,695</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
LIABILITIES			
Accounts Payable	\$ 1,532	\$ 136,679	455,043
Accrued Salaries and Benefits	-	24,151	216,945
TOTAL LIABILITIES	<u>1,532</u>	<u>160,830</u>	<u>671,988</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue:			
Property Taxes	-	40,995	789,792
Special Assessment	-	142,919	142,919
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>183,914</u>	<u>932,711</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>1,532</u>	<u>344,744</u>	<u>1,604,699</u>
FUND BALANCES			
Nonspendable:			
Inventory	-	-	167,230
Prepaid Expenses	-	-	239,683
Restricted For:			
Special Revenue Funds	-	5,365,519	5,940,701
Debt Service Funds	-	3,407,264	3,407,264
Capital Projects Funds	-	2,910,255	23,814,179
Minimum Fund Balance	-	-	2,136,046
Committed For:			
Detention Facility	-	-	211,520
Lincoln County Medical Center	2,705,177	-	5,115,546
Unassigned, Reported in:			
General Fund	-	(2,500)	7,891,827
TOTAL FUND BALANCES	<u>2,705,177</u>	<u>11,680,538</u>	<u>48,923,996</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 2,706,709</u>	<u>\$ 12,025,282</u>	<u>\$ 50,528,695</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
LINCOLN COUNTY
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Total Fund Balance - Governmental Funds \$ 48,923,996

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds

Capital Assets, Net 40,885,109

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 GASB 68 - Pension	2,171,977
Deferred Outflows of Resources Related to GASB 75 - OPEB	88,139
Deferred Inflows of Resources Related to GASB 68 - Pension	(1,074,455)
Deferred Inflows of Resources Related to GASB 75 - OPEB	(1,038,102)

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

789,792

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

142,919

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of:

Accrued Interest Payable	(749,213)
Compensated Absences Payable	(209,535)
Current Portion of Long term debt	(516,367)
Bond Premiums, net of amortization	(1,975,229)
Long Term Debt	(26,274,494)
Net Pension Liability (GASB 68)	(7,897,408)
Net OPEB Liability (GASB 75)	(4,561,129)

Net Position of Governmental Activities \$ 48,706,000

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
LINCOLN COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>	<u>Road Fund</u>	<u>Corrections Center</u>	<u>Lincoln County Medical Center</u>	<u>LCMC Construction</u>
REVENUES					
Taxes:					
Property Taxes	\$ 11,142,489	\$ -	\$ -	\$ 2,473,181	\$ -
Gross Receipts	-	-	-	-	-
Gasoline and Motor Vehicle Taxes	79,973	233,132	-	-	-
Other Taxes	7,500	-	-	-	-
Federal Operating Grants	-	133,046	-	-	-
Federal Capital Grants	-	-	-	-	-
State Operating Grants	77,516	247,150	-	-	-
State Capital Grants	2,160	292,137	-	-	-
Payments in Lieu of Taxes	1,952,183	-	-	-	-
Charges for Services	497,225	3,992	802,464	-	-
Investment Income	119,776	1,817,858	-	7,101	266,297
Special Assessment	-	-	-	-	-
Special Assessment - Interest	-	-	-	-	-
Miscellaneous	18,556	78,993	-	-	-
TOTAL REVENUES	<u>13,897,378</u>	<u>2,806,308</u>	<u>802,464</u>	<u>2,480,282</u>	<u>266,297</u>
EXPENDITURES					
Current					
General Government	4,087,307	-	-	-	-
Public Safety	2,814,321	-	3,380,786	-	-
Public Works	116,523	3,919,550	-	-	9,164
Culture and Recreation	-	-	-	-	-
Health and Welfare	-	-	-	1,991,891	-
Capital Outlay	279,233	-	238,556	209,886	4,016,918
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
TOTAL EXPENDITURES	<u>7,297,384</u>	<u>3,919,550</u>	<u>3,619,342</u>	<u>2,201,777</u>	<u>4,026,082</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,599,994</u>	<u>(1,113,242)</u>	<u>(2,816,878)</u>	<u>278,505</u>	<u>(3,759,785)</u>
OTHER FINANCING SOURCES (USES)					
Other Financing Uses	-	-	-	-	-
Transfers In	-	1,507,801	2,340,820	-	-
Transfers Out	(7,778,794)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,778,794)</u>	<u>1,507,801</u>	<u>2,340,820</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,178,800)	394,559	(476,058)	278,505	(3,759,785)
FUND BALANCE, BEGINNING	<u>11,147,555</u>	<u>649,154</u>	<u>687,578</u>	<u>2,131,864</u>	<u>24,663,709</u>
FUND BALANCE, ENDING	<u>\$ 9,968,755</u>	<u>\$ 1,043,713</u>	<u>\$ 211,520</u>	<u>\$ 2,410,369</u>	<u>\$ 20,903,924</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
LINCOLN COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	LCMC Lease Fund	Other Governmental Funds	Total
REVENUES			
Taxes:			
Property Taxes	\$ -	\$ 767,447	\$ 14,383,117
Gross Receipts	-	1,365,120	1,365,120
Gasoline and Motor Vehicle Taxes	-	211,126	524,231
Other Taxes	-	65,066	72,566
Federal Operating Grants	-	94,205	227,251
Federal Capital Grants	-	-	-
State Operating Grants	-	1,903,971	2,228,637
State Capital Grants	-	42,633	336,930
Payments in Lieu of Taxes	-	-	1,952,183
Charges for Services	1,100,000	1,903,730	4,307,411
Investment Income	8,707	24,118	2,243,857
Special Assessment	-	-	-
Special Assessment - Interest	-	35,957	35,957
Miscellaneous	125,305	138,607	361,461
TOTAL REVENUES	<u>1,234,012</u>	<u>6,551,980</u>	<u>28,038,721</u>
EXPENDITURES			
Current			
General Government	-	484,826	4,572,133
Public Safety	-	732,522	6,927,629
Public Works	-	1,221,289	5,266,526
Culture and Recreation	-	395,906	395,906
Health and Welfare	(45,872)	2,283,963	4,229,982
Capital Outlay	137,926	1,024,979	5,907,498
Debt Service:			
Principal	-	387,107	387,107
Interest	-	962,072	962,072
TOTAL EXPENDITURES	<u>92,054</u>	<u>7,492,664</u>	<u>28,648,853</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,141,958</u>	<u>(940,684)</u>	<u>(610,132)</u>
OTHER FINANCING SOURCES (USES)			
Other Financing Uses	-	(6,626)	(6,626)
Transfers In	-	5,705,089	9,553,710
Transfers Out	(1,098,589)	(676,327)	(9,553,710)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,098,589)</u>	<u>5,022,136</u>	<u>(6,626)</u>
NET CHANGE IN FUND BALANCES	43,369	4,081,452	(616,758)
FUND BALANCE, BEGINNING	<u>2,661,808</u>	<u>7,599,086</u>	<u>49,540,754</u>
FUND BALANCE, ENDING	<u>\$ 2,705,177</u>	<u>\$ 11,680,538</u>	<u>\$ 48,923,996</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
LINCOLN COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Net Changes in Fund Balance - Governmental Funds \$ (616,758)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, the governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeded capital outlays in the period:

Capital Outlay (net)	5,907,498	
Loss on Disposal of Assets	(108,998)	
Depreciation Expense	<u>(3,193,233)</u>	
Excess (Deficiency) of Capital Outlay over Depreciation Expense		2,605,267

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		789,792
Change in Special District		142,919

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 Expense		(485,679)
OPEB Expense		(93,197)

In the Statement of Activities, certain operating expenses including compensated absences and long term debt payments are measured by the amounts incurred during the year. In the fund financial statements, however, expenditures are measured by the amount of financial resources used (essentially the amounts actually paid):

Compensated absences expense		(43,466)
(Increase) Decrease in Accrued Interest Payable		(749,213)
Current Year Accretion		227,422
Principal Payments on Bonds and Loans Payable		<u>387,107</u>

Change in Net Position of Governmental Activities **\$ 2,164,194**

**STATE OF NEW MEXICO
LINCOLN COUNTY
STATEMENT OF REVENUES EXPENDITURES & CHANGES IN FUND BALANCE, BUDGET
(NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
GENERAL FUND 401
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
REVENUES				
Taxes:				
Property Taxes	\$ 10,757,423	\$ 10,757,423	\$ 11,096,292	\$ 338,869
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle Taxes	63,898	63,898	73,511	9,613
Other Taxes	7,500	7,500	7,500	-
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	71,486	71,486	68,903	(2,583)
State Capital Grants	2,605	2,605	2,605	-
Payments in Lieu of Taxes	1,804,125	1,804,125	1,955,933	151,808
Charges for Services	414,719	414,719	497,321	82,602
Investment Income	92,769	92,769	124,886	32,117
Special Assessment	-	-	-	-
Special Assessment - Interest	-	-	-	-
Miscellaneous	40,813	40,813	28,642	(12,171)
TOTAL REVENUES	<u>13,255,338</u>	<u>13,255,338</u>	<u>13,855,593</u>	<u>600,255</u>
EXPENDITURES				
Current				
General Government	4,559,600	4,680,602	4,089,214	591,388
Public Safety	3,028,391	3,081,193	2,717,906	363,287
Public Works	124,061	124,060	113,007	11,053
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	500,000	600,000	320,122	279,878
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>8,212,052</u>	<u>8,485,855</u>	<u>7,240,249</u>	<u>1,245,606</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5,043,286</u>	<u>4,769,483</u>	<u>6,615,344</u>	<u>(645,351)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds From Sales of Equipment	-	-	-	-
Other Financing Uses	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE)	<u>5,043,286</u>	<u>4,769,483</u>	<u>\$ 6,615,344</u>	<u>\$ (645,351)</u>
PRIOR YEAR CASH BALANCE BUDGETED	<u>\$ -</u>	<u>\$ -</u>		

Reconciliation of Budgetary Basis to GAAP Basis Financial Statements:

Revenues, Actual on a Budget Basis	\$ 13,855,593
Revenues, Actual on Modified Accrual Basis	13,897,378
Adjustments to revenues for property tax and grant revenues	<u>\$ (41,785)</u>
Expenditures, Actual on a Budget Basis	\$ 7,240,249
Expenditures, Actual on Modified Accrual Basis	15,076,178
Adjustments to expenditures for general government, and transfers	<u>\$ (7,835,929)</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
LINCOLN COUNTY
STATEMENT OF REVENUES EXPENDITURES & CHANGES IN FUND BALANCE, BUDGET
(NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
COUNTY ROAD FUND 402
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
REVENUES				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle Taxes	353,488	353,488	379,046	25,558
Other Taxes	-	-	-	-
Federal Operating Grants	263,592	263,592	133,046	(130,546)
Federal Capital Grants	-	-	-	-
State Operating Grants	189,488	189,488	247,150	57,662
State Capital Grants	314,564	314,564	292,137	(22,427)
Payments in Lieu of Taxes	-	-	-	-
Charges for Services	2,500	2,500	3,992	1,492
Investment Income	-	-	1,817,858	1,817,858
Special Assessment	-	-	-	-
Special Assessment - Interest	-	-	-	-
Miscellaneous	35,000	35,000	78,953	43,953
TOTAL REVENUES	<u>1,158,632</u>	<u>1,158,632</u>	<u>2,952,182</u>	<u>1,793,550</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	2,975,255	4,931,295	4,056,267	875,028
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>2,975,255</u>	<u>4,931,295</u>	<u>4,056,267</u>	<u>875,028</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,816,623)</u>	<u>(3,772,663)</u>	<u>(1,104,085)</u>	<u>918,522</u>
OTHER FINANCING SOURCES (USES)				
Proceeds From Sales of Equipment	-	-	-	-
Other Financing Uses	-	-	-	-
Transfers In	1,699,009	1,992,641	1,507,801	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,699,009</u>	<u>1,992,641</u>	<u>1,507,801</u>	<u>-</u>
INCREASE (DECREASE)	<u>(117,614)</u>	<u>(1,780,022)</u>	<u>\$ 403,716</u>	<u>\$ 918,522</u>
PRIOR YEAR CASH BALANCE BUDGETED	<u>\$ -</u>	<u>\$ -</u>		

Reconciliation of Budgetary Basis to GAAP Basis Financial Statements:

Revenues, Actual on a Budget Basis	\$ 4,459,983
Revenues, Actual on Modified Accrual Basis	4,314,109
Adjustments to revenues for property tax, grant revenues and transfers	<u>\$ 145,874</u>
Expenditures, Actual on a Budget Basis	\$ 4,056,267
Expenditures, Actual on Modified Accrual Basis	3,919,550
Adjustments to expenditures for insurance, materials, other charges and payroll	<u>\$ 136,717</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
LINCOLN COUNTY
STATEMENT OF REVENUES EXPENDITURES & CHANGES IN FUND BALANCE, BUDGET
(NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
CORRECTIONS FUND 450
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
REVENUES				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle Taxes	-	-	-	-
Other Taxes	-	-	-	-
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	49,818	49,818	-	(49,818)
State Capital Grants	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Charges for Services	619,990	619,990	972,565	352,575
Investment Income	-	-	-	-
Special Assessment	-	-	-	-
Special Assessment - Interest	-	-	-	-
Miscellaneous	1,450	1,450	-	(1,450)
TOTAL REVENUES	<u>671,258</u>	<u>671,258</u>	<u>972,565</u>	<u>301,307</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	3,312,300	3,479,646	3,284,976	194,670
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	238,256	295,953	285,540	10,413
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>3,550,556</u>	<u>3,775,599</u>	<u>3,570,516</u>	<u>205,083</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,879,298)</u>	<u>(3,104,341)</u>	<u>(2,597,951)</u>	<u>96,224</u>
OTHER FINANCING SOURCES (USES)				
Proceeds From Sales of Equipment	-	-	-	-
Other Financing Uses	-	-	-	-
Transfers In	2,805,559	2,694,231	2,340,820	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,805,559</u>	<u>2,694,231</u>	<u>2,340,820</u>	<u>-</u>
INCREASE (DECREASE)	<u>(73,739)</u>	<u>(410,110)</u>	<u>\$ (257,131)</u>	<u>\$ 96,224</u>
PRIOR YEAR CASH BALANCE BUDGETED	<u>\$ -</u>	<u>\$ -</u>		

Reconciliation of Budgetary Basis to GAAP Basis Financial Statements:

Revenues, Actual on a Budget Basis	\$ 3,313,385
Revenues, Actual on Modified Accrual Basis	3,143,284
Adjustments to revenues for property tax, grant revenues and transfers	<u>\$ 170,101</u>
Expenditures, Actual on a Budget Basis	\$ 3,570,516
Expenditures, Actual on Modified Accrual Basis	3,619,342
Adjustments to expenditures for insurance, materials, other charges and payroll	<u>\$ (48,826)</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
LINCOLN COUNTY
STATEMENT OF REVENUES EXPENDITURES & CHANGES IN FUND BALANCE, BUDGET
(NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
LCMC 502
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
REVENUES				
Taxes:				
Property Taxes	\$ 2,478,765	\$ 2,478,765	\$ 2,463,952	\$ (14,813)
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle Taxes	-	-	-	-
Other Taxes	-	-	-	-
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	-	-	-	-
State Capital Grants	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Charges for Services	-	-	-	-
Investment Income	4,000	4,000	7,101	3,101
Special Assessment	-	-	-	-
Special Assessment - Interest	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>2,482,765</u>	<u>2,482,765</u>	<u>2,471,053</u>	<u>(11,712)</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	1,945,000	1,977,457	1,977,457	-
Capital Outlay	464,886	464,564	224,773	239,791
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>2,409,886</u>	<u>2,442,021</u>	<u>2,202,230</u>	<u>239,791</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>72,879</u>	<u>40,744</u>	<u>268,823</u>	<u>(251,503)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds From Sales of Equipment	-	-	-	-
Other Financing Uses	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE)	<u>72,879</u>	<u>40,744</u>	<u>\$ 268,823</u>	<u>\$ (251,503)</u>
PRIOR YEAR CASH BALANCE BUDGETED	<u>\$ -</u>	<u>\$ -</u>		

Reconciliation of Budgetary Basis to GAAP Basis Financial Statements:

Revenues, Actual on a Budget Basis	\$ 2,471,053
Revenues, Actual on Modified Accrual Basis	2,480,282
Adjustments to revenues for property tax and grant revenues	<u>\$ (9,229)</u>
Expenditures, Actual on a Budget Basis	\$ 2,202,230
Expenditures, Actual on Modified Accrual Basis	2,201,777
Adjustments to expenditures for insurance, materials, other charges and payroll	<u>\$ 453</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
LINCOLN COUNTY
STATEMENT OF REVENUES AND EXPENSES, BUDGET (NON-GAAP BUDGETARY
BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – LCMC LEASE 509
FOR THE YEAR ENDED JUNE 30, 2018**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle Taxes	-	-	-	-
Other Taxes	-	-	-	-
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	-	-	-	-
State Capital Grants	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Charges for Services	1,100,000	1,100,000	1,100,000	-
Investment Income	6,500	6,500	8,707	2,207
Special Assessment	-	-	-	-
Special Assessment - Interest	-	-	-	-
Miscellaneous	-	-	125,305	125,305
TOTAL REVENUES	<u>1,106,500</u>	<u>1,106,500</u>	<u>1,234,012</u>	<u>127,512</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	224,914	136,394	88,520
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>224,914</u>	<u>136,394</u>	<u>88,520</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,106,500</u>	<u>881,586</u>	<u>1,097,618</u>	<u>38,992</u>
OTHER FINANCING SOURCES (USES)				
Proceeds From Sales of Equipment	-	-	-	-
Other Financing Uses	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE)	<u>1,106,500</u>	<u>881,586</u>	<u>\$ 1,097,618</u>	<u>\$ 38,992</u>
PRIOR YEAR CASH BALANCE BUDGETED	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation of Budgetary Basis to GAAP Basis Financial Statements:				
Revenues, Actual on a Budget Basis			\$ 1,234,012	
Revenues, Actual on Modified Accrual Basis			<u>1,234,012</u>	
Adjustments to revenues for property tax and grant revenues			<u>\$ -</u>	
Expenditures, Actual on a Budget Basis			\$ 136,394	
Expenditures, Actual on Modified Accrual Basis			<u>1,190,643</u>	
Adjustments to expenditures for general government, and transfers			<u>\$ (1,054,249)</u>	

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
LINCOLN COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS 700
AS OF JUNE 30, 2018**

	<u>Agency Funds</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 355,327
Property Taxes Receivable	<u>1,263,718</u>
TOTAL CURRENT ASSETS	<u>1,619,045</u>
 Noncurrent Assets	
Capital Assets, Net	<u>26,232</u>
TOTAL NONCURRENT ASSETS	<u>26,232</u>
TOTAL ASSETS	<u><u>\$ 1,645,277</u></u>
 LIABILITIES	
Deposits Held in Trust	\$ 355,327
Due to Other Taxing Entities	1,263,718
Capital Assets Held in Trust	<u>26,232</u>
TOTAL LIABILITIES	<u><u>\$ 1,645,277</u></u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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.

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 implemented this standard during the fiscal year ended June 30, 2018. See Note 16.

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.

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

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*.

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.

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

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.

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.

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

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.

The *Lincoln County Medical Center Construction Capital Projects Fund* is used to account for the construction of a new medical center located in Ruidoso, New Mexico. The Construction is funded by a general obligation bond issued in fiscal year 2018.

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.

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.

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

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.

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.

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

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 of net position for special revenue, debt service and capital projects are described on pages 15 and 16.

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).

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	45
Equipment	5-20
Infrastructure	40
Other Improvements	20

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2018, along with applicable PERA, FICA, and Medicare payable.

Deferred Outflow of Resources: *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 multiple types of items that qualify for reporting in this category related to GASB 68 and GASB 75: changes in proportion, net difference between expected and actual experience and employer contributions subsequent to measurement date. These total \$2,260,116 and 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.

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 \$932,711 related to property taxes and special assessments considered “unavailable.”

In addition, the County has multiple types of deferred inflows which arise due to the implementation of GASB 68 and GASB 75 and the related net pension liability and net OPEB 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 in the amount of \$2,112,557 as of June 30, 2018. 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. Detail is found in the notes and the required supplementary information.

Unearned Revenue: Unearned revenue in the governmental funds balance sheet is comprised of \$0. Amounts reported as unearned revenue in prior years have been recognized during the year ended June 30, 2018.

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

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 other financing sources. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Fund Balance Classification Policies and Procedures: For committed fund balance, the County's highest level of decision-making authority is the County Commission. In order for a fund balance commitment to be established, the County Commission must take formal action.

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.

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

Nonspendable Fund Balance: At June 30, 2018, the nonspendable fund balance in the governmental funds consists of amounts associated with inventory in the amount of \$167,230 and prepaid expenses in the amount of \$239,683 that are not in spendable form.

Restricted and Committed Fund Balance: At June 30, 2018, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$35,298,190 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 \$5,327,066 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 15 and 16.

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, 2018, the County maintains \$2,136,046 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 31 and 74-76.
- **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.

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments 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 reappropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been properly amended by County Commissioners in accordance with the above procedures. 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, 2018 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, 2018.

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.

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 3: Deposits and Investments (continued)

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

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments. 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, 2018, \$21,475,517 of the County's bank balance of \$23,035,600 was exposed to custodial credit risk. Although this amount 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, 2018.

	<u>CitiBank</u>	<u>First National Bank</u>	<u>First Savings Bank</u>	<u>Pioneer Bank</u>
Total Amount of Deposits	\$ 2,001,663	\$ 15,564,286	\$ 1,767,557	\$ 1,634,306
Less: FDIC Coverage	<u>(250,000)</u>	<u>(250,000)</u>	<u>(500,000)</u>	<u>(250,000)</u>
Total Uninsured Public Funds	1,751,663	15,314,286	1,267,557	1,384,306
Collateral requirement (50% of uninsured public funds)	875,832	7,657,143	633,779	692,153
Pledged Securities	<u>(2,617,955)</u>	<u>(20,161,947)</u>	<u>(2,324,636)</u>	<u>(1,966,612)</u>
Total (Over) Under Collateralized	<u>\$ (1,742,123)</u>	<u>\$ (12,504,804)</u>	<u>\$ (1,690,857)</u>	<u>\$ (1,274,459)</u>
	<u>Washington Federal Bank</u>	<u>Wells Fargo</u>	<u>BBVA Compass</u>	<u>Total</u>
Total Amount of Deposits	\$ 50,076	\$ 10,007	\$ 2,007,705	\$ 23,035,600
Less: FDIC Coverage	<u>(50,076)</u>	<u>(10,007)</u>	<u>(250,000)</u>	<u>(1,560,083)</u>
Total Uninsured Public Funds	-	-	1,757,705	21,475,517
Collateral requirement (50% of uninsured public funds)	-	-	878,853	10,737,760
Pledged Securities	<u>(789,973)</u>	<u>-</u>	<u>(1,850,000)</u>	<u>(29,711,123)</u>
Total (Over) Under Collateralized	<u>\$ (789,973)</u>	<u>\$ -</u>	<u>\$ (971,147)</u>	<u>\$ (18,973,363)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 3: Deposits and Investments (continued)

The collateral pledged is listed in the other supplementary information section 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, 2018, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>	<u>Rating***</u>
US Treasury MM Mutual Fund	< 1 year	\$ 2,175,789	AAA
Certificates of Deposit	< 1 year	1,000,000	Unrated
New MexicoGrow LGIP	100 days	1,315	AAAm
		<u>\$ 3,177,104</u>	

The County also has \$22,670,659 in NMFA reserve cash that is included as restricted cash on 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.

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.

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 3: Deposits and Investments (continued)

Reconciliation of Cash and Cash Equivalents

Reconciliation to the Statement of Net Position:	
Cash and Cash Equivalents	\$ 22,220,479
Restricted Cash	22,670,659
Cash - Fiduciary Funds	355,327
Investments	<u>3,177,104</u>
Total Cash Equivalents and Investments	<u><u>48,423,569</u></u>
 Reconciling Items:	
Add: Outstanding Checks	468,800
Less: Deposits in Transit	(6,956)
Less: Restricted Cash	(22,670,659)
Less: Certificates of Deposit	(1,000,000)
Less: Investments in Fidelity	(2,175,789)
Less: Investments in LGIP	(1,315)
Less: Petty Cash	<u>(2,050)</u>
Balance as per Bank	<u><u>\$ 23,035,600</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.

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.

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 3: Deposits and Investments (continued)

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 \$3,177,104 in money market accounts and certificates of deposit (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, 2018:

<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
\$ 3,177,104	\$ -	\$ -	\$ 3,177,104

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 4: Receivables

Receivables as of June 30, 2018, are as follows:

	<u>General Fund</u>	<u>Road Fund</u>	<u>Corrections</u>	<u>LCMC Fund</u>	<u>LCMC Construction</u>
Current Receivables:					
Property Taxes	\$ 830,602	\$ -	\$ -	\$ 179,040	\$ -
Other Taxes	609	33,564	-	-	-
Other Receivables	28,762	-	84,677	-	-
Special Assessment	-	-	-	-	-
Total Current Receivables	<u>859,973</u>	<u>33,564</u>	<u>84,677</u>	<u>179,040</u>	<u>-</u>
Noncurrent Receivables:					
Special Assessment	-	-	-	-	-
Total Receivables	<u>859,973</u>	<u>33,564</u>	<u>84,677</u>	<u>179,040</u>	<u>-</u>
Less: Allowance for Uncollectible Accounts	-	-	-	-	-
Receivables, Net	<u>\$ 859,973</u>	<u>\$ 33,564</u>	<u>\$ 84,677</u>	<u>\$ 179,040</u>	<u>\$ -</u>

	<u>LCMC Lease Fund</u>	<u>Disaster Relief</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Current Receivables:				
Property Taxes	\$ -	\$ -	\$ 55,121	\$ 1,064,763
Other Taxes	-	-	278,337	312,510
Other Receivables	-	-	333,694	447,133
Special Assessment	-	-	130,000	130,000
Total Current Receivables	<u>-</u>	<u>-</u>	<u>797,152</u>	<u>1,954,406</u>
Noncurrent Receivables:				
Special Assessment	-	-	12,919	12,919
Total Receivables	<u>-</u>	<u>-</u>	<u>810,071</u>	<u>1,967,325</u>
Less: Allowance for Uncollectible Accounts	-	-	(25,765)	(25,765)
Receivables, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 784,306</u>	<u>\$ 1,941,560</u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$789,792 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 \$142,919 have been reclassified as deferred inflow of resources in the governmental fund financial statements.

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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:

<u>Fund #</u>	<u>Governmental Funds</u>	<u>Net Transfers In</u>	<u>Net Transfers Out</u>
401	General Fund	\$ -	\$ 7,778,794
405	Road	1,507,801	-
450	Corrections	2,340,820	-
509	LCMC Lease Fund	-	1,098,588
508	DPV-SAD	-	131,888
405	Special Programs	80,810	-
412	Glencoe VFD	-	37,683
415	Cell Tower	64,010	-
416	White Oaks VFD	-	23,322
418	Agreements	190,851	-
419	Arabelea VFD	-	12,180
423	Animal Control	27,848	-
407	Fire	-	50,798
462	Homeland Security	251,873	-
530	Senior Citizens	261,720	-
602	Forest Health	-	25,000
654	Indigent Health	8,125	-
656	CYFD Fund	41,991	-
659	HIDTA Fund	-	-
657	Juvenile Justice	50,000	-
664	1st 1/8 Reserve	17,857	-
682	1st 1/8 Income	-	395,457
683	Debt Reserve	255,871	-
684	LCMC GO Bond	1,098,588	-
414	Capital Improvements	2,990,468	-
428	Forest Reserve	50,000	-
420	Legislative Appropriation	315,077	-
	Total Transfers	<u>\$ 9,553,710</u>	<u>\$ 9,553,710</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 6: Capital Assets

The following is a summary of capital assets and changes occurring during the year ended June 30, 2018. Land, intangible assets, and construction in progress are not subject to depreciation.

Governmental Activities	Balance June 30, 2017	Increases	Decreases	CIP Reclass- ifications / Adjustments	Balance June 30, 2018
Capital assets not being depreciated:					
Land	\$ 2,072,465	\$ -	\$ -	\$ -	\$ 2,072,465
Intangible Assets	357,353	-	-	-	357,353
Construction in Progress (CIP)	-	4,302,941	-	(2,089,378)	2,213,563
Total Capital Assets not being depreciated	<u>2,429,818</u>	<u>4,302,941</u>	<u>-</u>	<u>(2,089,378)</u>	<u>4,643,381</u>
Capital assets being depreciated:					
Buildings and Improvements	31,040,246	-	25,000	2,900,647	33,915,893
Equipment	20,021,758	1,272,989	503,100	-	20,791,647
Infrastructure	31,640,054	-	-	-	31,640,054
Other Improvements	686,421	331,568	29,310	-	988,679
Total Capital Assets being depreciated	<u>83,388,479</u>	<u>1,604,557</u>	<u>557,410</u>	<u>2,900,647</u>	<u>87,336,273</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	9,420,238	868,650	20,937	-	10,267,951
Equipment	13,041,749	1,503,636	410,316	-	14,135,069
Infrastructure	25,728,716	787,839	-	-	26,516,555
Other Improvements	159,021	33,108	17,159	-	174,970
Total Accumulated Depreciation	<u>48,349,724</u>	<u>3,193,233</u>	<u>448,412</u>	<u>-</u>	<u>51,094,545</u>
Total Capital Assets being Depreciated, Net	<u>35,038,755</u>	<u>(1,588,676)</u>	<u>108,998</u>	<u>2,900,647</u>	<u>36,241,728</u>
Capital Assets, Net	<u>\$ 37,468,573</u>	<u>\$ 2,714,265</u>	<u>\$ 108,998</u>	<u>\$ 811,269</u>	<u>\$ 40,885,109</u>

Depreciation expense for the year ended June 30, 2018 was charged to the functions of the governmental activities as follows:

<u>Function</u>	<u>Amounts</u>
General Government	\$ 609,243
Public Safety	897,369
Public Works	900,347
Culture and Recreation	786,274
Total	<u>\$ 3,193,233</u>

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018:

Governmental Activities	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets being depreciated:				
Equipment	\$ 32,789	\$ -	\$ -	\$ 32,789
Total Capital Assets being depreciated	<u>32,789</u>	<u>-</u>	<u>-</u>	<u>32,789</u>
Less: Accumulated Depreciation for:				
Equipment	3,278	3,279	-	6,557
Total Accumulated Depreciation	<u>3,278</u>	<u>3,279</u>	<u>-</u>	<u>6,557</u>
Capital Assets, Net	<u>\$ 29,511</u>	<u>\$ (3,279)</u>	<u>\$ -</u>	<u>\$ 26,232</u>

Depreciation expense for Agency Funds was \$3,279 for the year ended June 30, 2018.

NOTE 7: Long-term Debt

During the year ended June 30, 2018, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due Within One Year
Gross Receipts Revenue Bonds	\$ 2,140,000	\$ -	\$ 190,000	\$ 1,950,000	\$ 195,000
GO Bonds, Series 2017	23,110,000	-	-	23,110,000	120,000
NMFA Loans	1,927,968	-	197,107	1,730,861	201,367
Compensated Absences	166,069	206,861	163,395	209,535	209,535
Total	<u>\$ 27,344,037</u>	<u>\$ 206,861</u>	<u>\$ 550,502</u>	<u>\$ 27,000,396</u>	<u>\$ 725,902</u>

Interest expense paid on long-term debt totaled \$1,710,485 for the year ended June 30, 2018 as indicated on the statement of activities.

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7: Long-term Debt (continued)

The information of the bonds payable are detailed below:

Gross Receipts Revenue Bonds

Gross Receipts Bonds Outstanding as June 30, 2018 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%	

General Obligation Bonds, Series 2017

General Obligation Bonds Outstanding as June 30, 2017 consisted of the following:

General Obligation Bonds - 3/29/2017 issue	
Original Issue	\$23,110,000
Interest Due	February 1 and August 1
Principal Due	June 1
Maturity Date	August 1, 2036
Interest Rates from 3.125% to 5.00%	

The annual requirements to amortize the Bonds Payable as of June 30, 2018, including interest payments are as follows:

Bonds Payable			
Year Ending June 30,	Principal	Interest	Total Requirements
2019	\$ 315,000	\$ 1,054,438	\$ 1,369,438
2020	325,000	1,043,788	1,368,788
2021	1,110,000	1,030,788	2,140,788
2022	1,165,000	977,338	2,142,338
2023	1,220,000	921,238	2,141,238
2024-2028	6,690,000	3,668,237	10,358,237
2029-2033	7,340,000	2,015,087	9,355,087
2034-2038	<u>6,895,000</u>	<u>594,063</u>	<u>7,489,063</u>
Total	\$ 25,060,000	\$ 11,304,977	\$ 36,364,977

Gross Receipts Revenue Bonds have been liquidated by the 1st 1/8 GRT Income Debt Service Fund in prior years. General Obligation Bonds will be paid from property taxes.

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7: Long-term Debt (continued)

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					
Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance, June 30, 2018
NMFA Loan	Dec-08	May-19	0%	121,800	\$ 12,180
NMFA Loan	Dec-08	May-19	1.62-3.80%	205,315	22,746
NMFA Loan	Dec-08	May-19	2.13-3.94%	225,933	24,877
NMFA Loan	Sep-09	May-20	1.03-3.78%	203,000	45,193
NMFA Loan	Oct-10	May-25	3.277%	2,819,028	1,478,439
NMFA Loan	Jan-12	May-22	1.87%	243,600	101,674
NMFA Loan	Jan-12	May-22	1.87%	109,620	45,752
Total					\$ 1,730,861

The annual requirements to amortize the Loans and Capital Leases Payable as of June 30, 2018, including interest payments are as follows:

Loans Payable			
Year Ending June 30,	Principal	Interest	Total Requirements
2019	\$ 201,367	\$ 54,506	\$ 255,873
2020	145,027	49,782	194,809
2021	125,048	45,898	170,946
2022	128,456	45,898	174,354
2023	93,246	65,044	158,290
2024-2028	1,037,717	73,486	1,111,203
Total	\$ 1,730,861	\$ 334,614	\$ 2,065,475

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, 2018, compensated absences decreased \$43,466 from the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities.

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018, future minimum lease payments applicable to the operating leases are as follows:

Year Ending June 30,	Amount
2019	\$ 275,417
2020	256,738
2021	256,738
2022	256,738
2023	158,163
Thereafter	-
Total	\$ 1,203,794

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. Fund 405 – Special Programs Funds had \$2,500 reflected a deficit fund balance as of June 30, 2018.
- 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, 2018.

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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.

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.

Contributions: The contribution requirements of defined benefit plan members and the County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY17 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on page 22 of the PERA FY17 annual audit report at:

- https://www.saonm.org/media/audits/366-B-NM_PERA_Schedule_of_Employer_Allocation_FY2017.pdf

The PERA coverage options that apply to County are Municipal Plan 2 and Municipal Police Plan 5. Statutorily required contributions to the pension plan from the County were \$477,423 and employer paid member benefits that were “picked up” by the employer were \$0 for the year ended June 30, 2018.

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, 2016. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2017, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2017. The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The 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, 2017. Only employer contributions for the pay period end dates that fell within the period of July 1, 2016 to June 30, 2017 were included in the total contributions for a specific employer.

See Independent Auditors’ Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

Regular and any adjustment contributions that applied to FY 2017 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Municipal General Division, at June 30, 2018, Lincoln County reported a liability of \$4,706,240 for its proportionate share of the net pension liability. At June 30, 2018, the County's proportion was 0.3425% percent, which increased 0.0081% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, Lincoln County recognized PERA Fund Municipal General Division pension expense of \$620,485. At June 30, 2018, 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 Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 184,923	\$ 241,039
Changes of assumptions	217,028	48,633
Net difference between projected and actual earnings on pension plan investments	386,119	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	144,937	73,748
The County's contributions subsequent to the measurement date	314,467	-
Total	\$ 1,247,474	\$ 363,420

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

\$314,467 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date June 30, 2017 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>Amount</u>
2019	\$ 184,493
2020	417,067
2021	80,867
2022	(112,840)
2023	-
Thereafter	-
Total	\$ 569,587

For PERA Fund Municipal Police Division, at June 30, 2018, Lincoln County reported a liability of \$3,191,168 for its proportionate share of the net pension liability. At June 30, 2018, the County's proportion was 0.5744%, which decreased 0.0103% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, Lincoln County recognized PERA Fund Municipal Police Division pension expense of \$422,190. At June 30, 2018, Lincoln County reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 193,816	\$ 596,239
Changes of assumptions	189,864	74,205
Net difference between projected and actual earnings on pension plan investments	257,005	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	59,381	40,591
The County's contributions subsequent to the measurement date	224,437	-
Total	\$ 924,503	\$ 711,035

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

\$224,437 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date June 30, 2017 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension Expense as follows:

<u>Year Ended</u>	<u>Amount</u>
2019	\$ 17,611
2020	153,521
2021	(106,957)
2022	(75,144)
2023	-
Thereafter	-
Total	<u>\$ (10,969)</u>

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2015 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2017. These actuarial methods and assumptions were adopted by the PERA's Board of Trustees for use in the June 30, 2016, actuarial valuation.

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, Open
Asset valuation period	Solved for based on statutory rates
Asset valuation method	4 Year Smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.51% annual rate
Projected benefit payment	100 years
Payroll growth	2.75% to 3.25% annual rate
Projected salary increases	2.75% to 14.00% annual rate
Includes inflation at	2.25% to 2.75% annual rate
Mortality assumption	RP-2000 Mortality tables (combined table for healthy post-retirements, employee table for active members, and disabled table for disabled retirees before retirement age) with projection to 2018 using scale AA.

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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:

<u>ALL FUNDS - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	43.50%	7.39%
Risk Reduction & Mitigation	21.50%	1.79%
Credit Oriented Fixed Income	15.00%	5.77%
Real Assets	<u>20.00%</u>	7.35%
Total	100.0%	

Discount rate: The rate of 7.25% for the first 9 years (selected period) and 7.75% for all other years (ultimate). The equivalent blended rate is 7.48% and will be used to measure the total pension liability. 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 GASB 67. Therefore, the 7.48% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate: The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the County's net pension liability in each PERA Fund Division that the County participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage lower (6.51%) or one percentage point higher (8.51%) that the single discount rate.

<u>PERA Fund Division Municipal Government</u>	<u>1% Decrease (6.51%)</u>	<u>Current Discount Rate (7.51%)</u>	<u>1% Increase (8.51%)</u>
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The County's proportionate share of the net pension liability	\$ 7,376,232	\$ 4,706,240	\$ 2,485,770
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<u>PERA Fund Division Municipal Police</u>	<u>1% Decrease (6.51%)</u>	<u>Current Discount Rate (7.51%)</u>	<u>1% Increase (8.51%)</u>
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The County's proportionate share of the net pension liability	\$ 5,089,028	\$ 3,191,168	\$ 1,633,693
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See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

Payables to the pension plan. At June 30, 2018 there were no contributions due and payable to PERA for the County.

NOTE 12: Post-Employment Benefits – Other Than Pensions

General Information

Plan description. Employees of the County are provided with Postemployment Benefits Other Than Pensions (OPEB) through the Retiree Health Care Fund (the Fund)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA’s financial information is included with the financial presentation of the State of New Mexico.

Benefits provided. The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

Employees covered by benefit terms – At June 30, 2017, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	\$ 51,208
Inactive and eligible for deferred benefits	11,478
Current Active Members	97,349
	\$ 160,035
Active membership	
State general	\$ 19,593
State police and corrections	1,886
Municipal General	21,004
Municipal Police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	\$ 97,349

See Independent Auditors’ Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 12: Post-Employment Benefits – Other Than Pensions (continued)

Contributions – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the County were \$88,139 for the year ended June 30, 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the County reported a liability of \$4,561,129 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the County’s proportion was 0.10065 percent.

For the year ended June 30, 2018, the County recognized OPEB expense of \$181,336. At June 30, 2018 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 175,032
Changes of Assumptions	-	797,455
Difference between actual and projected earnings on OPEB plan investments	-	65,615
Contributions made after the measurement date	88,139	-
Total	\$ 88,139	\$ 1,038,102

See Independent Auditors’ Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 12: Post-Employment Benefits – Other Than Pensions (continued)

Deferred outflows of resources totaling \$88,139 represent the County's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	\$ (220,708)
2020	(220,708)
2021	(220,708)
2022	(220,708)
2023	<u>(155,270)</u>
Total	<u>\$ (1,038,102)</u>

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.5% for ERB
Projected payroll increases	3.5%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 year for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females)

Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 12: Post-Employment Benefits – Other Than Pensions (continued)

The best estimates for the long-term expected rate of return is summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Rate of Return</u>
U.S core fixed income	20%	4.1%
U.S equity - large cap	20%	9.1%
Non U.S. - emerging markets	15%	12.2%
Non U.S - developed equities	12%	9.8%
Private equity	10%	13.8%
Credit and structured finance	10%	7.3%
Real estate	5%	6.9%
Absolute return	5%	6.1%
U.S equity - small / mid cap	3%	9.1%

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 3.81% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81 percent) or 1-percentage-point higher (4.81 percent) than the current discount rate:

<u>1% Decrease (2.81%)</u>	<u>Current Discount (3.81%)</u>	<u>1% Increase (4.81%)</u>
\$ 5,532,578	\$ 4,561,129	\$ 3,798,940

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
\$ 3,879,554	\$ 4,561,129	\$ 5,092,589

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 12: Post-Employment Benefits – Other Than Pensions (continued)

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2017.

Payable Changes in the Net OPEB Liability. At June 30, 2018, the County reported a payable of \$0 for outstanding contributions due to NMRHCA for the year ended June 30, 2018.

NOTE 13: 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.

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 13: Post-Employment Benefits – State Retiree Health Care Plan (continued)

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 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, 2018, 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, 2018, 2017, and 2016 were \$88,139, \$86,566, and \$86,381 respectively which equal the required contributions for each year.

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 14: Joint Powers Agreements

<u>Solid Waste Collection Services</u>	
Participants:	Lincoln County Lincoln County Solid Waste Authority
Responsible Party:	Lincoln County Lincoln County Solid Waste Authority
Description:	The Lincoln County continues to participate in this JPA as a member in order to receive membership rates with the landfill.
Term of Agreement:	May 16, 2006 until cancelled
Amount of Project:	Unknown
County Contributions:	Unknown
Audit Responsibility:	Lincoln County

<u>Otero/Lincoln County Regional Landfill</u>	
Participants:	Lincoln County, Otero County, City of Alamogordo, Village of Cloudcroft Town of Carrizozo, Village of Capitan, Village of Tularosa, Village of Corona, Village of Ruidoso, Village of Ruidoso Downs.
Responsible Party:	City of Alamogordo
Description:	To establish, finance and operate the Otero/Lincoln County Regional Landfill.
Term of Agreement:	Perpetual
Amount of Project:	Unknown
County Contributions:	100% Environmental Services Gross Receipts Tax
Audit Responsibility:	City of Alamogordo

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 15: 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 16: Tax Abatements

The County has evaluated GASB 77 with regard to tax abatements and has determined that the County is a party to the following agreement that abate taxes:

Agency Type	Municipality
Tax Abatement Agreement Name	Industrial Revenue Bond Agreement
Recipient(s) of tax abatement	Hotel Ruidoso, LLC
Parent company(ies) of recipient(s) of tax abatement	N/A
Tax abatement program (name and brief description)	Industrial Revenue Bond
Specific Tax(es) Being Abated	Ad Valorem Taxes
Legal authority under which tax abatement agreement was entered into	NMSA 1978 Section §7-38-17, NMSA 1978 §7-36-3
Criteria that make a recipient eligible to receive a tax abatement	The hotel was built on land owned by the Village and the Village holds legal title to the hotel
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	Subject to the PILOT Agreement, payments of ad valorem taxes are abated.
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.	100% of the ad valorem taxes at the applicable rates (subject to PILOT agreement)
Are there provisions for recapturing abated taxes? (Yes or No)	No
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	N/A
List each specific commitment made by the recipient of the abatement.	The Company leases or subleases the real and personal property comprising Hotel Ruidoso (the "Hotel") from the Village of Ruidoso (the "Village"). The Hotel is constructed on land owned by the Village. The Hotel was primarily financed with an industrial revenue bond (the "Bond") issued by the Village for the benefit of Company. In connection with the Bond, the Village holds legal title to the Hotel.

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 16: Tax Abatements (continued)

Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.	\$9,425
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment	Lincoln County receives a PILOT of \$7,500
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by your agency</u> in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by a different agency</u> in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year	N/A
List each specific commitment made by your agency or any other government, other than the tax abatement.	N/A
Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.	Yes: Lincoln County, Ruidoso Municipal Schools, ENMU-Ruidoso, State of New Mexico Department of Finance and Administration
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	N/A

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 16: Tax Abatements (continued)

Agency number for Agency making the disclosure (Abating Agency)	6152
Abating Agency Name	Village of Ruidoso
Abating Agency Type	Municipality
Tax Abatement Agreement Name	Industrial Revenue Bond Agreement
Name of agency affected by abatement agreement (Affected Agency)	Lincoln County
Agency number of Affected Agency	5014
Agency type of Affected Agency	County
Recipient(s) of tax abatement	Hotel Ruidoso, LLC
Tax abatement program (name and brief description)	Industrial Revenue Bond
Specific Tax(es) Being Abated	Ad Valorem Taxes
Authority under which abated tax would have been paid to Affected Agency	NMSA 1978 Section §7-38-17 NMSA 1978 §7-36-3
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$22,019
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$7,500
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

NOTE 17: 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, \$142,919, and has reclassified \$142,919 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 18: Restricted Net Position

The government-wide statement of net position reports \$33,162,144 of restricted assets, all of which is restricted by enabling legislation.

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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: Commitments

The County's commitments as of June 30, 2018 are as follows:

- The County is engaged in a five year management contract for the Detention Center with the following remaining commitments per year of the contract:

<u>LaSalle Corrections West, LLC</u>			
Year 1 (per inmate per day)	2019	\$	61.20
Year 2 (per inmate per day)	2020	\$	62.42
Year 3 (per inmate per day)	2021	\$	63.67
Year 4 (per inmate per day)	2022	\$	64.94
Year 5 (per inmate per day)	2023	\$	-

NOTE 21: Subsequent Events

The date to which events occurring after June 30, 2018, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is February 4, 2019 which is the date on which the financial statements were available to be issued.

NOTE 22: Restatement

A restatement of \$5,456,931 is reported on the Statement of Activities due to the implementation of *GASB No. 75, Postemployment Events other Than Pensions*, as described in *Note 12*.

NOTE 23: Subsequent Pronouncements

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 THE COUNTY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY OF PERA FUND DIVISION MUNICIPAL GENERAL
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years***

MUNICIPAL GENERAL FUND	<u>2018</u>	<u>2017</u>
County's proportion of the net pension liability	0.3425%	0.3344%
County's proportionate share of the net pension liability	\$ 4,706,240	\$ 5,342,587
County's covered-employee payroll	\$ 2,964,213	\$ 2,890,049
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	158.77%	184.86%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	69.18%
 MUNICIPAL GENERAL FUND	 <u>2016</u>	 <u>2015</u>
County's proportion of the net pension liability	0.3482%	0.3241%
County's proportionate share of the net pension liability	\$ 3,550,201	\$ 2,528,328
County's covered-employee payroll	\$ 2,766,283	\$ 2,630,741
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, the County will present information for those years for which information is available.

**STATE OF NEW MEXICO
LINCOLN COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY OF PERA FUND DIVISION MUNICIPAL POLICE
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years***

MUNICIPAL POLICE FUND	<u>2018</u>	<u>2017</u>
County's proportion of the net pension liability	0.5744%	0.5847%
County's proportionate share of the net pension liability	\$ 3,191,168	\$ 4,314,091
County's covered-employee payroll	\$ 1,028,260	\$ 1,147,385
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	310.35%	375.99%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	69.18%
 MUNICIPAL POLICE FUND	 <u>2016</u>	 <u>2015</u>
County's proportion of the net pension liability	0.5794%	0.5455%
County's proportionate share of the net pension liability	\$ 2,786,080	\$ 1,778,271
County's covered-employee payroll	\$ 1,095,006	\$ 1,057,979
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, the County will present information for those years for which information is available.

**STATE OF NEW MEXICO
LINCOLN COUNTY
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS TO PERA PLAN DIVISION
MUNICIPAL GENERAL
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years***

MUNICIPAL GENERAL FUND	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 283,082	\$ 276,000
Contributions in relation to the contractually required contribution	<u>283,082</u>	<u>276,000</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 2,964,213	\$ 2,890,049
Contributions as a percentage of covered-employee payroll	9.55%	-9.55%
 MUNICIPAL GENERAL FUND	 <u>2016</u>	 <u>2015</u>
Contractually required contribution	\$ 273,630	\$ 231,104
Contributions in relation to the contractually required contribution	<u>273,630</u>	<u>231,104</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
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, the County will present information for those years for which information is available.

**STATE OF NEW MEXICO
LINCOLN COUNTY
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS TO PERA PLAN DIVISION
MUNICIPAL POLICE
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years***

MUNICIPAL POLICE FUND	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 194,341	\$ 219,809
Contributions in relation to the contractually required contribution	<u>194,341</u>	<u>216,856</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 2,953</u>
County's covered-employee payroll	\$ 1,028,260	\$ 1,163,012
Contributions as a percentage of covered-employee payroll	18.90%	-18.65%
 MUNICIPAL POLICE FUND	 <u>2016</u>	 <u>2015</u>
Contractually required contribution	\$ 219,809	\$ 239,499
Contributions in relation to the contractually required contribution	<u>219,809</u>	<u>239,499</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 1,095,006	\$ 1,095,006
Contributions as a percentage of covered-employee payroll	-20.07%	-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, the County will present information for those years for which information is available.

**STATE OF NEW MEXICO
LINCOLN COUNTY
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>2018*</u>
County's proportion of the net OPEB liability	0.10065%
County's proportionate share of the net OPEB liability	\$ 4,561,129
County's covered employee payroll	\$ 4,243,645
County's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	107.48%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%

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

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
SCHEDULE OF COUNTY'S OPEB CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2018**

	2018*
Contractually required contribution	\$ 84,873
Less: Contributions in relation to the contractually required contributions	86,417
	\$ (1,544)
County's covered employee payroll	\$ 4,243,645
Contributions as a percentage of covered employee payroll	2.04%

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

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

Changes of benefit terms

The Public Employees Retirement Association's (PERA) COLA and retirement benefits changes in recent years are described in Note 1 of PERA's CAFR at <https://www.saonm.org>.

The Retiree Health Care Authority (RHCA) COLA and age eligibility benefits changes in recent years are described in the Notes to the RHCA FY18 audit available at <http://saonm.org/> using the Audit Search function for agency 343.

Assumptions.

The Public Employees Retirement Association (PERA) of New Mexico's Annual Actuarial Valuations as of June 2017 report is available at <http://www.nmpera.org/>.

The Retiree Health Care Authority (RHCA) of New Mexico Biennial Actuarial Valuation as of June 30, 2017 report is available at <http://saonm.org/> using the Audit Search function for agency 343.

SUPPLEMENTAL INFORMATION

**STATE OF NEW MEXICO
LINCOLN COUNTY
NONMAJOR GOVERNMENTAL FUNDS – DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018**

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

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).

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.

The Disaster Relief Special Revenue Fund - 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.

**STATE OF NEW MEXICO
LINCOLN COUNTY
NONMAJOR GOVERNMENTAL FUNDS – DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018**

SPECIAL REVENUE FUNDS (CONTINUED)

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.

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 on 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.

**STATE OF NEW MEXICO
LINCOLN COUNTY
NONMAJOR GOVERNMENTAL FUNDS – DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018**

SPECIAL REVENUE FUNDS (CONTINUED)

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.

Treasurer's Fees – To account for fees received by the County Treasurer.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for debt-related transactions.

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 / SAD Income 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.

LCMC GO Bond Debt – To account for General Obligation Bonds related to the Lincoln County Medical Center.

**STATE OF NEW MEXICO
LINCOLN COUNTY
NONMAJOR GOVERNMENTAL FUNDS – DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018**

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition, construction and repair of major capital assets.

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
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue				
	Special Programs Fund	Clerk's Equipment	Cell Tower	Agreements	Gas Tax
ASSETS					
Cash and Cash Equivalents	\$ -	\$ 285,442	\$ 118,100	\$ -	\$ 121,383
Restricted Cash	-	-	-	-	-
Investments	-	-	-	-	-
Receivables:					
Property Taxes	-	-	-	-	-
Other Taxes	-	-	-	-	18,151
Other Receivables, Net	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Noncurrent Receivables	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ 285,442	\$ 118,100	\$ -	\$ 139,534
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 2,500	\$ 86	\$ -	\$ -	\$ 2,919
Accrued Salaries and Benefits	-	-	-	-	-
TOTAL LIABILITIES	2,500	86	-	-	2,919
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Property Taxes	-	-	-	-	-
Special Assessment	-	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,500	86	-	-	2,919
FUND BALANCES					
Nonspendable:					
Inventory	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Restricted For:					
Special Revenue Funds	-	285,356	118,100	-	136,615
Debt Service Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Unassigned, Reported in:					
General Fund	(2,500)	-	-	-	-
TOTAL FUND BALANCES	(2,500)	285,356	118,100	-	136,615
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ -	\$ 285,442	\$ 118,100	\$ -	\$ 139,534

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
(continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue			
	Animal Control	Fire	Lodgers Tax	Disaster Relief
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 1,488,085	\$ 70,044	\$ 649,670
Restricted Cash	-	46,683	-	-
Investments	-	-	-	-
Receivables:				
Property Taxes	1,478	-	-	-
Other Taxes	-	-	-	-
Other Receivables, Net	-	21,250	7,837	-
Special Assessments Receivable	-	-	-	-
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Noncurrent Receivables	-	-	-	-
TOTAL ASSETS	<u>\$ 1,478</u>	<u>\$ 1,556,018</u>	<u>\$ 77,881</u>	<u>\$ 649,670</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ -	\$ 18,038	\$ 3,010	\$ -
Accrued Salaries and Benefits	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>18,038</u>	<u>3,010</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Property Taxes	1,274	-	-	-
Special Assessment	-	-	-	-
TOTAL DEFERRED INFLOWS	<u>1,274</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>1,274</u>	<u>18,038</u>	<u>3,010</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Restricted For:				
Special Revenue Funds	204	1,537,980	74,871	649,670
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Unassigned, Reported in:				
General Fund	-	-	-	-
TOTAL FUND BALANCES	<u>204</u>	<u>1,537,980</u>	<u>74,871</u>	<u>649,670</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 1,478</u>	<u>\$ 1,556,018</u>	<u>\$ 77,881</u>	<u>\$ 649,670</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
(continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue				Rural Health Clinic
	Homeland Security	Sheriff's Seizure	Reappraisal	EMS	
ASSETS					
Cash and Cash Equivalents	\$ 228,757	\$ 1,100	\$ 385,167	\$ 20,122	\$ 579,709
Restricted Cash	-	-	-	-	-
Investments	-	-	-	-	10,003
Receivables:					
Property Taxes	-	-	-	-	53,643
Other Taxes	-	-	-	-	-
Other Receivables, Net	111,880	-	100	-	-
Special Assessments Receivable	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Noncurrent Receivables	-	-	-	-	-
TOTAL ASSETS	<u>\$ 340,637</u>	<u>\$ 1,100</u>	<u>\$ 385,267</u>	<u>\$ 20,122</u>	<u>\$ 643,355</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 1,021	\$ 864	\$ -
Accrued Salaries and Benefits	-	-	3,941	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>4,962</u>	<u>864</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Property Taxes	-	-	-	-	39,721
Special Assessment	-	-	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,721</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>4,962</u>	<u>864</u>	<u>39,721</u>
FUND BALANCES					
Nonspendable:					
Inventory	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Restricted For:					
Special Revenue Funds	340,637	1,100	380,305	19,258	603,634
Debt Service Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Unassigned, Reported in:					
General Fund	-	-	-	-	-
TOTAL FUND BALANCES	<u>340,637</u>	<u>1,100</u>	<u>380,305</u>	<u>19,258</u>	<u>603,634</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 340,637</u>	<u>\$ 1,100</u>	<u>\$ 385,267</u>	<u>\$ 20,122</u>	<u>\$ 643,355</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
(continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue				
	Law Enforcement Protection	Senior Citizens	Environmental Gross Receipts	Enhanced 911	Forest Health
ASSETS					
Cash and Cash Equivalents	\$ 4,333	\$ 21,110	\$ 91,492	\$ 175	\$ 176,536
Restricted Cash	-	-	-	-	-
Investments	-	-	-	-	-
Receivables:					
Property Taxes	-	-	-	-	-
Other Taxes	-	-	-	-	-
Other Receivables, Net	-	61,186	99,020	-	-
Special Assessments Receivable	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Noncurrent Receivables	-	-	-	-	-
TOTAL ASSETS	\$ 4,333	\$ 82,296	\$ 190,512	\$ 175	\$ 176,536
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 576	\$ 3,607	\$ 57,775	\$ -	\$ -
Accrued Salaries and Benefits	-	15,971	-	-	-
TOTAL LIABILITIES	576	19,578	57,775	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Property Taxes	-	-	-	-	-
Special Assessment	-	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	576	19,578	57,775	-	-
FUND BALANCES					
Nonspendable:					
Inventory	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Restricted For:					
Special Revenue Funds	3,757	62,718	132,737	175	176,536
Debt Service Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Unassigned, Reported in:					
General Fund	-	-	-	-	-
TOTAL FUND BALANCES	3,757	62,718	132,737	175	176,536
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 4,333	\$ 82,296	\$ 190,512	\$ 175	\$ 176,536

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
(continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue			
	Misdemeanor Compliance	Indigent Health Care	Juvenile Justice Grant	HIDA Partnership
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 622,098	\$ 13,088	\$ 34,030
Restricted Cash	-	-	-	-
Investments	-	-	-	-
Receivables:				
Property Taxes	-	-	-	-
Other Taxes	-	130,093	-	-
Other Receivables, Net	-	-	67,026	-
Special Assessments Receivable	-	-	-	-
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Noncurrent Receivables	-	-	-	-
TOTAL ASSETS	\$ -	\$ 752,191	\$ 80,114	\$ 34,030
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ -	\$ 11,300	\$ 7,781	\$ 2,203
Accrued Salaries and Benefits	-	1,813	-	2,426
TOTAL LIABILITIES	-	13,113	7,781	4,629
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Property Taxes	-	-	-	-
Special Assessment	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	-	13,113	7,781	4,629
FUND BALANCES				
Nonspendable:				
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Restricted For:				
Special Revenue Funds	-	739,078	72,333	29,401
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Unassigned, Reported in:				
General Fund	-	-	-	-
TOTAL FUND BALANCES	-	739,078	72,333	29,401
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ -	\$ 752,191	\$ 80,114	\$ 34,030

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
(continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Special Revenue</u>		<u>Debt Service</u>	
	<u>Treasurer's Fees</u>	<u>1st 1/8 Reserve</u>	<u>1st 1/8 Income</u>	<u>1st 1/8 GRT Debt Reserve</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,054	\$ 301,870	\$ -	\$ -
Restricted Cash	-	-	-	-
Investments	-	-	-	277,028
Receivables:				
Property Taxes	-	-	-	-
Other Taxes	-	-	130,093	-
Other Receivables, Net	-	-	-	-
Special Assessments Receivable	-	-	-	-
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Noncurrent Receivables	-	-	-	-
TOTAL ASSETS	<u>\$ 1,054</u>	<u>\$ 301,870</u>	<u>\$ 130,093</u>	<u>\$ 277,028</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Property Taxes	-	-	-	-
Special Assessment	-	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Restricted For:				
Special Revenue Funds	1,054	-	-	-
Debt Service Funds	-	301,870	130,093	277,028
Capital Projects Funds	-	-	-	-
Unassigned, Reported in:				
General Fund	-	-	-	-
TOTAL FUND BALANCES	<u>1,054</u>	<u>301,870</u>	<u>130,093</u>	<u>277,028</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 1,054</u>	<u>\$ 301,870</u>	<u>\$ 130,093</u>	<u>\$ 277,028</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
(continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	Debt Service		
	Deer Park Special Assessment	Deer Park SAD Income Fund	LCMC GO Bond Debt
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 978,221	\$ -
Restricted Cash	-	-	1,720,052
Investments	-	-	-
Receivables:			
Property Taxes	-	-	-
Other Taxes	-	-	-
Other Receivables, Net	-	-	-
Special Assessments Receivable	-	130,000	-
Inventory	-	-	-
Prepaid Expenses	-	-	-
Noncurrent Receivables	-	12,919	-
TOTAL ASSETS	\$ -	\$ 1,121,140	\$ 1,720,052
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	-	-	-
TOTAL LIABILITIES	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue:			
Property Taxes	-	-	-
Special Assessment	-	142,919	-
TOTAL DEFERRED INFLOWS	-	142,919	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	-	142,919	-
FUND BALANCES			
Nonspendable:			
Inventory	-	-	-
Prepaid Expenses	-	-	-
Restricted For:			
Special Revenue Funds	-	-	-
Debt Service Funds	-	978,221	1,720,052
Capital Projects Funds	-	-	-
Unassigned, Reported in:			
General Fund	-	-	-
TOTAL FUND BALANCES	-	978,221	1,720,052
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ -	\$ 1,121,140	\$ 1,720,052

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
(continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Capital Projects</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Capital Improvements</u>	<u>Legislative Appropriation</u>	<u>CDBG Grant</u>	
ASSETS				
Cash and Cash Equivalents	\$ 2,500,000	\$ 326,836	\$ 56,808	\$ 9,075,230
Restricted Cash	-	-	-	1,766,735
Investments	-	-	-	287,031
Receivables:				-
Property Taxes	-	-	-	55,121
Other Taxes	-	-	-	278,337
Other Receivables, Net	-	51,610	-	419,909
Special Assessments Receivable	-	-	-	130,000
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Noncurrent Receivables	-	-	-	12,919
TOTAL ASSETS	<u>\$ 2,500,000</u>	<u>\$ 378,446</u>	<u>\$ 56,808</u>	<u>\$ 12,025,282</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ -	\$ 24,999	\$ -	\$ 136,679
Accrued Salaries and Benefits	-	-	-	24,151
TOTAL LIABILITIES	<u>-</u>	<u>24,999</u>	<u>-</u>	<u>160,830</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Property Taxes	-	-	-	40,995
Special Assessment	-	-	-	142,919
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,914</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>24,999</u>	<u>-</u>	<u>344,744</u>
FUND BALANCES				
Nonspendable:				
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Restricted For:				
Special Revenue Funds	-	-	-	5,365,519
Debt Service Funds	-	-	-	3,407,264
Capital Projects Funds	2,500,000	353,447	56,808	2,910,255
Unassigned, Reported in:				
General Fund	-	-	-	(2,500)
TOTAL FUND BALANCES	<u>2,500,000</u>	<u>353,447</u>	<u>56,808</u>	<u>11,680,538</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 2,500,000</u>	<u>\$ 378,446</u>	<u>\$ 56,808</u>	<u>\$ 12,025,282</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue				
	Special Programs Fund	Clerk's Equipment	Cell Tower	Agreements	Gas Tax
REVENUES					
Taxes:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-	-
Gasoline and Motor Vehicle Taxes	-	-	-	-	211,126
Other Taxes	-	-	-	-	-
Federal Operating Grants	-	-	-	-	-
Federal Capital Grants	-	-	-	-	-
State Operating Grants	-	-	-	-	-
State Capital Grants	-	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-
Charges for Services	-	52,245	52,500	-	-
Investment Income	-	834	-	-	-
Special Assessment	-	-	-	-	-
Special Assessment - Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>53,079</u>	<u>52,500</u>	<u>-</u>	<u>211,126</u>
EXPENDITURES					
Current					
General Government	-	9,124	-	190,851	-
Public Safety	-	-	-	-	-
Public Works	-	-	26,387	-	225,478
Culture and Recreation	83,310	-	-	-	-
Health and Welfare	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
TOTAL EXPENDITURES	<u>83,310</u>	<u>9,124</u>	<u>26,387</u>	<u>190,851</u>	<u>225,478</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(83,310)</u>	<u>43,955</u>	<u>26,113</u>	<u>(190,851)</u>	<u>(14,352)</u>
OTHER FINANCING SOURCES (USES)					
Other Financing Sources (Uses)	-	-	-	-	-
Transfers In	80,810	-	64,010	190,851	-
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>80,810</u>	<u>-</u>	<u>64,010</u>	<u>190,851</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(2,500)	43,955	90,123	-	(14,352)
FUND BALANCE, BEGINNING	<u>-</u>	<u>241,401</u>	<u>27,977</u>	<u>-</u>	<u>150,967</u>
FUND BALANCE, ENDING	<u>\$ (2,500)</u>	<u>\$ 285,356</u>	<u>\$ 118,100</u>	<u>\$ -</u>	<u>\$ 136,615</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue			
	Animal Control	Fire	Lodgers Tax	Disaster Relief
REVENUES				
Taxes:				
Property Taxes	\$ 25,602	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle Taxes	-	-	-	-
Other Taxes	-	-	65,066	-
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	-	946,800	-	-
State Capital Grants	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Charges for Services	40,792	-	-	-
Investment Income	-	5,250	182	-
Special Assessment	-	-	-	-
Special Assessment - Interest	-	-	-	-
Miscellaneous	-	133,541	-	-
TOTAL REVENUES	<u>66,394</u>	<u>1,085,591</u>	<u>65,248</u>	<u>-</u>
EXPENDITURES				
Current				
General Government	-	-	30,733	-
Public Safety	97,500	292,166	-	1
Public Works	-	-	-	-
Culture and Recreation	-	50,000	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	155,522	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>97,500</u>	<u>497,688</u>	<u>30,733</u>	<u>1</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(31,106)</u>	<u>587,903</u>	<u>34,515</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES)				
Other Financing Sources (Uses)	-	-	-	(6,626)
Transfers In	27,848	50,000	-	-
Transfers Out	-	(123,983)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>27,848</u>	<u>(73,983)</u>	<u>-</u>	<u>(6,626)</u>
NET CHANGE IN FUND BALANCES	(3,258)	513,920	34,515	(6,627)
FUND BALANCE, BEGINNING	<u>3,462</u>	<u>1,024,060</u>	<u>40,356</u>	<u>656,297</u>
FUND BALANCE, ENDING	<u>\$ 204</u>	<u>\$ 1,537,980</u>	<u>\$ 74,871</u>	<u>\$ 649,670</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue				
	Homeland Security	Sheriff's Seizure	Reappraisal	EMS	Rural Health Clinic
REVENUES					
Taxes:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 741,845
Gross Receipts	-	-	-	-	-
Gasoline and Motor Vehicle Taxes	-	-	-	-	-
Other Taxes	-	-	-	-	-
Federal Operating Grants	-	-	-	-	-
Federal Capital Grants	-	-	-	-	-
State Operating Grants	202,144	-	-	41,940	-
State Capital Grants	-	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-
Charges for Services	-	-	290,351	-	-
Investment Income	-	3	-	-	2,094
Special Assessment	-	-	-	-	-
Special Assessment - Interest	-	-	-	-	-
Miscellaneous	-	-	4,399	-	-
TOTAL REVENUES	<u>202,144</u>	<u>3</u>	<u>294,750</u>	<u>41,940</u>	<u>743,939</u>
EXPENDITURES					
Current					
General Government	-	-	203,073	-	-
Public Safety	11,770	-	-	-	-
Public Works	-	-	-	36,380	-
Culture and Recreation	-	-	-	-	-
Health and Welfare	-	-	-	-	777,269
Capital Outlay	101,610	-	-	-	79,886
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
TOTAL EXPENDITURES	<u>113,380</u>	<u>-</u>	<u>203,073</u>	<u>36,380</u>	<u>857,155</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>88,764</u>	<u>3</u>	<u>91,677</u>	<u>5,560</u>	<u>(113,216)</u>
OTHER FINANCING SOURCES (USES)					
Other Financing Sources (Uses)	-	-	-	-	-
Transfers In	251,873	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>251,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	340,637	3	91,677	5,560	(113,216)
FUND BALANCE, BEGINNING	-	1,097	288,628	13,698	716,850
FUND BALANCE, ENDING	<u>\$ 340,637</u>	<u>\$ 1,100</u>	<u>\$ 380,305</u>	<u>\$ 19,258</u>	<u>\$ 603,634</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue				
	Law Enforcement Protection	Senior Citizens	Environmental Gross Receipts	Enhanced 911	Forest Health
REVENUES					
Taxes:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-	-
Gasoline and Motor Vehicle Taxes	-	-	-	-	-
Other Taxes	-	-	-	-	-
Federal Operating Grants	-	94,205	-	-	-
Federal Capital Grants	-	-	-	-	-
State Operating Grants	33,200	145,269	-	-	267,955
State Capital Grants	-	-	42,633	-	-
Payments in Lieu of Taxes	-	-	-	-	-
Charges for Services	-	302,104	873,542	-	-
Investment Income	-	-	-	-	-
Special Assessment	-	-	-	-	-
Special Assessment - Interest	-	-	-	-	-
Miscellaneous	267	400	-	-	-
TOTAL REVENUES	<u>33,467</u>	<u>541,978</u>	<u>916,175</u>	<u>-</u>	<u>267,955</u>
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	32,687	-	-	160	-
Public Works	-	-	836,959	-	-
Culture and Recreation	-	-	-	-	262,596
Health and Welfare	-	837,338	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
TOTAL EXPENDITURES	<u>32,687</u>	<u>837,338</u>	<u>836,959</u>	<u>160</u>	<u>262,596</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>780</u>	<u>(295,360)</u>	<u>79,216</u>	<u>(160)</u>	<u>5,359</u>
OTHER FINANCING SOURCES (USES)					
Other Financing Sources (Uses)	-	-	-	-	-
Transfers In	-	261,720	-	-	-
Transfers Out	-	-	-	-	(25,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>261,720</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>
NET CHANGE IN FUND BALANCES	780	(33,640)	79,216	(160)	(19,641)
FUND BALANCE, BEGINNING	2,977	96,358	53,521	335	196,177
FUND BALANCE, ENDING	<u>\$ 3,757</u>	<u>\$ 62,718</u>	<u>\$ 132,737</u>	<u>\$ 175</u>	<u>\$ 176,536</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue			
	Misdemeanor Compliance	Indigent Health Care	Juvenile Justice Grant	HIDA Partnership
REVENUES				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	682,559	-	-
Gasoline and Motor Vehicle Taxes	-	-	-	-
Other Taxes	-	-	-	-
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	-	-	25,034	146,663
State Capital Grants	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Charges for Services	116,023	-	-	-
Investment Income	-	-	-	-
Special Assessment	-	-	-	-
Special Assessment - Interest	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>116,023</u>	<u>682,559</u>	<u>25,034</u>	<u>146,663</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	116,023	-	44,693	137,522
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	669,356	-	-
Capital Outlay	-	-	-	43,388
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>116,023</u>	<u>669,356</u>	<u>44,693</u>	<u>180,910</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>13,203</u>	<u>(19,659)</u>	<u>(34,247)</u>
OTHER FINANCING SOURCES (USES)				
Other Financing Sources (Uses)	-	-	-	-
Transfers In	-	8,125	91,992	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>8,125</u>	<u>91,992</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	21,328	72,333	(34,247)
FUND BALANCE, BEGINNING	-	717,750	-	63,648
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 739,078</u>	<u>\$ 72,333</u>	<u>\$ 29,401</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Special Revenue</u>	<u>Debt Service</u>		
	<u>Treasurer's Fees</u>	<u>1st 1/8 Reserve</u>	<u>1st 1/8 Income</u>	<u>1st 1/8 GRT Debt Reserve</u>
REVENUES				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	682,561	-
Gasoline and Motor Vehicle Taxes	-	-	-	-
Other Taxes	-	-	-	-
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	-	-	-	-
State Capital Grants	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Charges for Services	2,426	-	-	-
Investment Income	-	-	-	-
Special Assessment	-	-	-	-
Special Assessment - Interest	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>2,426</u>	<u>-</u>	<u>682,561</u>	<u>-</u>
EXPENDITURES				
Current				
General Government	3,065	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	190,000	197,107
Interest	-	-	81,750	59,564
TOTAL EXPENDITURES	<u>3,065</u>	<u>-</u>	<u>271,750</u>	<u>256,671</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(639)</u>	<u>-</u>	<u>410,811</u>	<u>(256,671)</u>
OTHER FINANCING SOURCES (USES)				
Other Financing Sources (Uses)	-	-	-	-
Transfers In	-	17,856	-	255,871
Transfers Out	-	-	(395,456)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>17,856</u>	<u>(395,456)</u>	<u>255,871</u>
NET CHANGE IN FUND BALANCES	(639)	17,856	15,355	(800)
FUND BALANCE, BEGINNING	<u>1,693</u>	<u>284,014</u>	<u>114,738</u>	<u>277,828</u>
FUND BALANCE, ENDING	<u>\$ 1,054</u>	<u>\$ 301,870</u>	<u>\$ 130,093</u>	<u>\$ 277,028</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	Debt Service		
	Deer Park Special Assessment	Deer Park Sad Income Fund	LCMC GO Bond Debt
REVENUES			
Taxes:			
Property Taxes	\$ -	\$ -	\$ -
Gross Receipts	-	-	-
Gasoline and Motor Vehicle Taxes	-	-	-
Other Taxes	-	-	-
Federal Operating Grants	-	-	-
Federal Capital Grants	-	-	-
State Operating Grants	-	-	-
State Capital Grants	-	-	-
Payments in Lieu of Taxes	-	-	-
Charges for Services	-	173,747	-
Investment Income	-	4,050	11,705
Special Assessment	-	-	-
Special Assessment - Interest	-	35,957	-
Miscellaneous	-	-	-
TOTAL REVENUES	<u>-</u>	<u>213,754</u>	<u>11,705</u>
EXPENDITURES			
Current			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Culture and Recreation	-	-	-
Health and Welfare	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	820,758
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>820,758</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>213,754</u>	<u>(809,053)</u>
OTHER FINANCING SOURCES (USES)			
Other Financing Sources (Uses)	-	-	-
Transfers In	-	-	1,098,588
Transfers Out	-	(131,888)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(131,888)</u>	<u>1,098,588</u>
NET CHANGE IN FUND BALANCES	-	81,866	289,535
FUND BALANCE, BEGINNING	-	896,355	1,430,517
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 978,221</u>	<u>\$ 1,720,052</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	Capital Projects			Total Nonmajor Governmental Funds
	Capital Improvements	Legislative Appropriation	CDBG Grant	
REVENUES				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ 767,447
Gross Receipts	-	-	-	1,365,120
Gasoline and Motor Vehicle Taxes	-	-	-	211,126
Other Taxes	-	-	-	65,066
Federal Operating Grants	-	-	-	94,205
Federal Capital Grants	-	-	-	-
State Operating Grants	-	94,966	-	1,903,971
State Capital Grants	-	-	-	42,633
Payments in Lieu of Taxes	-	-	-	-
Charges for Services	-	-	-	1,903,730
Investment Income	-	-	-	24,118
Special Assessment	-	-	-	-
Special Assessment - Interest	-	-	-	35,957
Miscellaneous	-	-	-	138,607
TOTAL REVENUES	<u>-</u>	<u>94,966</u>	<u>-</u>	<u>6,551,980</u>
EXPENDITURES				
Current				
General Government	-	47,980	-	484,826
Public Safety	-	-	-	732,522
Public Works	96,085	-	-	1,221,289
Culture and Recreation	-	-	-	395,906
Health and Welfare	-	-	-	2,283,963
Capital Outlay	542,050	102,523	-	1,024,979
Debt Service:				
Principal	-	-	-	387,107
Interest	-	-	-	962,072
TOTAL EXPENDITURES	<u>638,135</u>	<u>150,503</u>	<u>-</u>	<u>7,492,664</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(638,135)</u>	<u>(55,537)</u>	<u>-</u>	<u>(940,684)</u>
OTHER FINANCING SOURCES (USES)				
Other Financing Sources (Uses)	-	-	-	(6,626)
Transfers In	2,990,468	315,077	-	5,705,089
Transfers Out	-	-	-	(676,327)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,990,468</u>	<u>315,077</u>	<u>-</u>	<u>5,022,136</u>
NET CHANGE IN FUND BALANCES	2,352,333	259,540	-	4,081,452
FUND BALANCE, BEGINNING	147,667	93,907	56,808	7,599,086
FUND BALANCE, ENDING	<u>\$ 2,500,000</u>	<u>\$ 353,447</u>	<u>\$ 56,808</u>	<u>\$ 11,680,538</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
FIDUCIARY FUNDS - DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018**

FIDUCIARY FUNDS

Fiduciary Funds - 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.

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 381,909	\$ -	\$ 26,582	\$ 355,327
Property Taxes Receivable	<u>1,225,602</u>	<u>15,848,394</u>	<u>15,810,278</u>	<u>1,263,718</u>
Total Current Assets	<u>1,607,511</u>	<u>15,848,394</u>	<u>15,836,860</u>	<u>1,619,045</u>
Noncurrent Assets				
Capital Assets, Net	<u>29,511</u>	<u>-</u>	<u>3,279</u>	<u>26,232</u>
Total Noncurrent Assets	<u>29,511</u>	<u>-</u>	<u>3,279</u>	<u>26,232</u>
Total Assets	<u>\$ 1,637,022</u>	<u>\$ 15,848,394</u>	<u>\$ 15,840,139</u>	<u>\$ 1,645,277</u>
Liabilities				
Deposits Held for Others	\$ 381,909	\$ -	\$ 26,582	\$ 355,327
Assets Held in Trust	29,511		3,279	26,232
Due to Other Taxing Entities	<u>1,225,602</u>	<u>15,848,394</u>	<u>15,810,278</u>	<u>1,263,718</u>
Total Liabilities	<u>\$ 1,637,022</u>	<u>\$ 15,848,394</u>	<u>\$ 15,840,139</u>	<u>\$ 1,645,277</u>

See Independent Auditors' Report

OTHER SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
LINCOLN COUNTY
RECONCILIATION OF PROPERTY TAX ROLLS
FOR THE YEAR ENDED JUNE 30, 2018**

Property Taxes Receivable, Beginning of Year	\$ 2,251,221
Changes to Tax Roll:	
Net Taxes Charged to Treasurer for Fiscal Year	30,253,556
Adjustments:	
Charge Off of Taxes Receivable	<u>103,664</u>
Total Receivables Prior to Collections	32,608,441
Collections for the Fiscal Year Ended June 30, 2018	<u>(30,279,960)</u>
Property Taxes Receivable, End of Year	<u><u>\$ 2,328,481</u></u>
Property Taxes Receivable by years:	
2008 - 2011	\$ 34,406
2012	13,597
2013	70,236
2014	57,997
2015	165,848
2016	603,041
2017	<u>1,383,356</u>
Total Property Taxes Receivable	<u><u>\$ 2,328,481</u></u>
Property taxes receivable reported in the financial statements as follows:	
Statement of Net Position	1,064,763
Statement of Fiduciary Assets and Liabilities	<u>1,263,718</u>
Total Property Taxes Receivable	<u><u>\$ 2,328,481</u></u>

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Lincoln County Operational										
2017	\$ 7,765,300	\$ 50,368	\$ 7,815,668	\$ -	\$ 7,467,502	\$ 7,467,502	\$ 348,166	\$ 7,467,502	\$ 7,467,502	\$ 348,166
2016	7,479,564	(19,007)	7,460,557	7,110,043	200,618	7,310,662	149,895	200,618	7,310,662	149,895
2015	7,350,612	29,428	7,380,041	7,245,814	94,068	7,339,882	40,159	94,068	7,339,882	40,159
2014	7,005,235	17,661	7,022,896	6,989,005	19,036	7,008,041	14,855	19,036	7,008,041	14,855
2013	6,849,302	26,216	6,875,518	6,853,086	2,219	6,855,305	20,214	2,219	6,855,305	20,214
2012	6,605,286	18,513	6,623,799	6,619,726	889	6,620,615	3,184	889	6,620,615	3,184
2011	6,382,451	7,317	6,389,768	6,386,638	322	6,386,960	2,809	322	6,386,960	2,809
2010	6,068,165	(17,115)	6,051,050	6,048,630	205	6,048,835	2,214	205	6,048,835	2,214
2009	5,859,377	13,599	5,872,976	5,871,384	52	5,871,436	1,540	52	5,871,436	1,540
2008	5,427,798	568	5,428,366	5,427,111	92	5,427,203	1,163	92	5,427,203	1,162
Total	66,793,090	127,548	66,920,639	58,551,437	7,785,003	66,336,441	584,199	7,785,003	66,336,441	584,198
Special Projects										
2017	3,416,158	13,783	3,429,942	-	3,283,996	3,283,996	145,946	3,283,996	3,283,996	145,946
2016	3,404,894	(6,483)	3,398,411	3,245,480	89,004	3,334,484	63,927	89,004	3,334,484	63,927
2015	3,312,060	9,966	3,322,026	3,263,677	40,635	3,304,312	17,714	40,635	3,304,312	17,714
2014	3,212,982	5,983	3,218,964	3,204,710	8,115	3,212,825	6,139	8,115	3,212,825	6,139
2013	3,119,863	8,970	3,128,833	3,120,462	923	3,121,386	7,448	923	3,121,386	7,448
2012	3,047,259	6,444	3,053,702	3,051,844	340	3,052,185	1,517	340	3,052,185	1,517
2011	2,921,840	1,934	2,923,774	2,922,334	152	2,922,486	1,288	152	2,922,486	1,288
2010	2,865,314	(5,574)	2,859,740	2,858,563	111	2,858,675	1,065	111	2,858,675	1,065
2009	2,795,138	4,723	2,799,861	2,799,098	27	2,799,125	736	27	2,799,125	736
2008	2,446,461	495	2,446,956	2,446,284	49	2,446,333	624	49	2,446,333	624
Total	30,541,969	40,241	30,582,209	26,912,452	3,423,352	30,335,807	246,404	3,423,352	30,335,807	246,404
State of NM Debt Service										
2017	1,689,439	6,866	1,696,305	-	1,624,079	1,624,079	72,225	1,624,079	1,624,079	72,225
2016	1,683,867	(3,206)	1,680,661	1,605,040	44,016	1,649,057	31,604	44,016	1,649,057	31,604
2015	1,637,958	4,892	1,642,850	1,614,043	20,096	1,634,138	8,712	20,096	1,634,138	8,712
2014	1,588,959	2,972	1,591,931	1,584,876	4,013	1,588,889	3,042	4,013	1,588,889	3,042
2013	1,542,938	4,431	1,547,369	1,543,214	457	1,543,671	3,697	457	1,543,671	3,697
2012	1,506,993	3,187	1,510,179	1,509,280	168	1,509,449	731	168	1,509,449	731
2011	1,447,197	958	1,448,155	1,447,352	75	1,447,427	728	75	1,447,427	728
2010	1,593,908	(3,099)	1,590,809	1,590,396	62	1,590,458	351	62	1,590,458	351
2009	1,168,945	1,960	1,170,905	1,170,534	11	1,170,545	360	11	1,170,545	360
2008	1,112,058	224	1,112,282	1,111,940	22	1,111,963	319	22	1,111,963	319
Total	14,972,262	19,185	14,991,446	13,176,675	1,692,999	14,869,676	121,769	1,692,999	14,869,676	121,769

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Cattle										
2017	\$ 76,945	\$ (91)	\$ 76,854	\$ -	\$ 73,930	\$ 73,930	\$ 2,924	\$ 73,930	\$ 73,930	\$ 2,924
2016	84,618	(2,119)	82,499	80,470	929	81,398	1,101	929	81,398	1,101
2015	68,585	(905)	67,681	67,015	603	67,619	62	603	67,619	62
2014	60,437	(3,236)	57,202	57,125	40	57,165	36	40	57,165	35
2013	55,731	(175)	55,555	55,542	13	55,555	-	13	55,555	-
2012	51,249	(637)	50,612	50,610	2	50,612	-	-	50,612	-
2011	50,910	(173)	50,737	50,737	-	50,737	-	-	50,737	-
2010	44,448	(1,091)	43,357	43,357	-	43,357	-	-	43,357	-
2009	56,714	(1,541)	55,172	55,172	-	55,172	-	-	55,172	-
2008	53,644	(649)	52,995	52,995	-	52,995	-	-	52,995	-
Total	603,281	(10,617)	592,664	513,023	75,517	588,540	4,123	75,515	588,540	4,122
Dairy Cattle										
2017	102	-	102	-	102	102	-	102	102	-
2016	127	-	127	123	3	125	2	3	125	1
2015	134	-	134	134	-	134	-	-	134	-
2014	68	-	68	68	-	68	-	-	68	-
2013	9	(1)	9	9	-	9	-	-	9	-
2012	11	-	11	11	-	11	-	-	11	-
2011	28	-	28	28	-	28	-	-	28	-
2010	25	-	25	25	-	25	-	-	25	-
2009	51	-	51	51	-	51	-	-	51	-
2008	43	-	43	43	-	43	-	-	43	-
Total	598	(1)	598	492	105	596	2	105	596	1
Sheep & Goats										
2017	845	34	879	-	818	818	61	818	818	61
2016	852	(16)	836	813	22	835	-	22	835	-
2015	1,116	(309)	808	803	4	807	-	4	807	-
2014	1,484	(163)	1,321	1,320	1	1,321	-	1	1,321	-
2013	1,658	(1)	1,657	1,655	1	1,656	-	1	1,656	-
2012	1,738	(1)	1,736	1,736	-	1,736	1	-	1,736	1
2011	1,357	-	1,357	1,357	-	1,357	-	-	1,357	-
2010	767	1	767	767	-	767	1	-	767	2
2009	1,374	-	1,374	1,374	-	1,374	-	-	1,374	-
2008	1,489	(7)	1,482	1,482	-	1,482	-	-	1,482	-
Total	12,680	(462)	12,217	11,307	846	12,153	63	846	12,153	64

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Equine										
2017	\$ 2,633	\$ (27)	\$ 2,606	\$ -	\$ 2,406	\$ 2,406	\$ 200	\$ 2,406	\$ 2,406	\$ 200
2016	2,360	(1)	2,359	2,189	120	2,308	51	120	2,308	51
2015	2,473	(5)	2,469	2,408	38	2,447	22	38	2,447	22
2014	2,238	(37)	2,201	2,179	16	2,195	6	16	2,195	6
2013	2,362	(163)	2,199	2,182	13	2,195	4	13	2,195	4
2012	2,583	(70)	2,512	2,504	4	2,508	4	4	2,508	4
2011	2,973	(17)	2,956	2,952	-	2,952	4	-	2,952	4
2010	2,881	(46)	2,835	2,831	-	2,831	4	-	2,831	4
2009	6,813	(42)	6,771	6,771	-	6,771	-	-	6,771	-
2008	-	-	-	-	-	-	-	-	-	-
Total	27,316	(408)	26,908	24,016	2,597	26,613	295	2,597	26,613	295
Bison										
2017	41	-	41	-	41	41	-	41	41	-
2016	83	-	83	43	37	80	3	37	80	3
2015	504	-	504	500	-	500	3	-	500	3
2014	484	-	484	479	-	479	4	-	479	4
2013	441	-	441	437	-	437	4	-	437	4
2012	128	(4)	125	123	-	123	2	-	123	2
2011	524	-	524	523	-	523	2	-	523	3
2010	276	(30)	246	246	-	246	-	-	246	-
2009	293	(6)	286	286	-	286	-	-	286	-
2008	489	-	489	489	-	489	-	-	489	-
Total	3,263	(40)	3,223	3,126	78	3,204	18	78	3,204	19
Predatory Control										
2017	26,264	89	26,353	-	25,239	25,239	1,114	25,239	25,239	1,114
2016	27,167	(417)	26,750	26,094	333	26,427	323	333	26,427	323
2015	25,472	(1,449)	24,023	23,799	201	24,000	23	201	24,000	23
2014	18,203	(1,239)	16,965	16,944	10	16,954	11	10	16,954	11
2013	18,687	(41)	18,646	18,640	5	18,645	1	5	18,645	1
2012	21,370	(317)	21,053	21,051	1	21,052	1	1	21,052	1
2011	25,329	(58)	25,271	25,270	-	25,270	1	-	25,270	1
2010	25,801	(672)	25,129	25,125	-	25,125	4	-	25,125	4
2009	24,761	(251)	24,511	24,511	-	24,511	-	-	24,511	-
2008	24,332	(87)	24,245	24,245	-	24,245	-	-	24,245	-
Total	237,386	(4,442)	232,946	205,679	25,789	231,468	1,478	25,789	231,468	1,478

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Village of Capitan Operational										
2017	\$ 80,606	\$ (4)	\$ 80,602	\$ -	\$ 72,092	\$ 72,092	\$ 8,511	\$ 72,092	\$ 72,092	\$ 8,511
2016	79,646	(16)	79,630	70,597	5,092	75,689	3,942	5,092	75,689	3,942
2015	83,366	(4)	83,362	79,287	3,101	82,387	975	3,101	82,387	975
2014	77,154	(232)	76,922	75,897	851	76,748	174	851	76,748	174
2013	77,100	(18)	77,082	76,819	46	76,864	218	46	76,864	218
2012	75,235	(77)	75,159	75,046	2	75,048	111	2	75,048	111
2011	71,813	(72)	71,742	71,571	-	71,571	171	-	71,571	170
2010	67,933	(358)	67,575	67,538	37	67,575	-	37	67,575	-
2009	27,619	(19)	27,600	27,561	1	27,562	38	1	27,562	38
2008	25,756	(45)	25,711	25,669	-	25,669	42	-	25,669	40
Total	666,228	(845)	665,385	569,985	81,222	651,205	14,182	81,222	651,205	14,179
Village of Capitan Debt										
2017	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Village of Carrizozo Operational										
2017	91,320	244	91,565	-	80,123	80,123	11,442	80,123	80,123	11,442
2016	89,470	82	89,552	77,988	5,074	83,062	6,489	5,074	83,062	6,489
2015	87,177	(62)	87,115	80,596	4,337	84,934	2,181	4,337	84,934	2,181
2014	84,019	7	84,026	82,029	716	82,745	1,281	716	82,745	1,281
2013	81,591	169	81,760	74,253	51	74,304	7,456	51	74,304	7,456
2012	78,120	(181)	77,939	77,939	-	77,939	-	-	77,939	-
2011	47,385	(84)	47,301	47,234	2	47,235	66	2	47,235	66
2010	45,881	(305)	45,575	45,546	2	45,548	27	2	45,548	27
2009	44,195	(68)	44,127	44,113	2	44,115	12	2	44,115	12
2008	39,310	(51)	39,259	39,253	3	39,255	3	3	39,255	4
Total	688,468	(249)	688,219	568,951	90,310	659,260	28,957	90,310	659,260	28,958

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Village of Carrizozo Debt										
2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Village of Corona Operational										
2017	16,218	235	16,453	-	16,191	16,191	261	16,191	16,191	261
2016	15,948	(8)	15,940	15,747	89	15,835	104	89	15,835	104
2015	15,531	(9)	15,523	15,365	62	15,428	95	62	15,428	94
2014	14,995	318	15,314	15,309	3	15,312	2	3	15,312	3
2013	13,212	(5)	13,207	13,207	-	13,207	-	-	13,207	-
2012	11,995	(19)	11,976	11,975	-	11,975	-	-	11,975	-
2011	11,662	(80)	11,582	11,582	-	11,582	-	-	11,582	-
2010	10,817	-	10,816	10,816	-	10,816	-	-	10,816	-
2009	10,485	-	10,485	10,485	-	10,485	-	-	10,485	-
2008	8,520	(5)	8,515	8,515	-	8,515	-	-	8,515	-
Total	129,383	427	129,811	113,001	16,345	129,346	462	16,345	129,346	462
Village of Corona Debt										
2017	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Village of Ruidoso - Operational										
2017	\$ 2,592,733	\$ (488)	\$ 2,592,245	\$ -	\$ 2,469,599	\$ 2,469,599	\$ 122,646	\$ 2,469,599	\$ 2,469,599	\$ 122,646
2016	2,547,012	(1,002)	2,546,010	2,424,579	71,662	2,496,240	49,769	71,662	2,496,240	49,769
2015	2,535,166	(1,679)	2,533,487	2,489,017	31,559	2,520,575	12,911	31,559	2,520,575	12,911
2014	2,478,454	(9,972)	2,468,482	2,457,705	5,749	2,463,454	6,028	5,749	2,463,454	5,028
2013	2,432,433	(2,603)	2,429,830	2,427,460	779	2,428,239	1,591	779	2,428,239	1,591
2012	2,367,392	(3,528)	2,363,864	2,362,118	411	2,362,529	1,335	411	2,362,529	1,335
2011	2,263,870	(920)	2,262,950	2,261,871	90	2,261,961	989	90	2,261,961	989
2010	2,195,648	(3,236)	2,192,412	2,191,462	92	2,191,553	858	92	2,191,553	858
2009	2,146,062	(4,914)	2,141,148	2,140,868	4	2,140,872	276	4	2,140,872	276
2008	2,000,847	174	2,001,021	2,000,710	22	2,000,732	289	22	2,000,732	290
Total	23,559,617	(28,168)	23,531,449	20,755,790	2,579,967	23,335,754	196,692	2,579,967	23,335,754	195,693
Village of Ruidoso - Debt										
2017	782,748	(151)	782,598	-	745,063	745,063	37,534	745,063	745,063	37,534
2016	774,733	(319)	774,414	736,745	22,188	22,188	15,481	22,188	758,933	15,481
2015	763,830	(529)	763,301	749,533	9,755	9,755	4,013	9,755	759,288	4,013
2014	751,169	(3,425)	747,744	746,776	1,231	1,231	(263)	1,231	748,007	(263)
2013	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
Total	3,072,480	(4,424)	3,068,057	2,233,054	778,237	778,237	56,765	778,237	3,011,291	56,765
Village of Ruidoso Downs - Operational										
2017	300,413	(1,473)	298,941	-	272,792	272,792	26,149	272,792	272,792	26,149
2016	299,574	(119)	299,455	271,126	14,274	285,400	14,055	14,274	285,400	14,055
2015	296,162	(85)	296,076	282,268	10,128	292,396	3,681	10,128	292,396	3,681
2014	293,498	27	293,525	290,413	884	291,297	2,228	884	291,297	2,228
2013	300,415	(2,892)	297,523	296,891	39	296,929	594	39	296,929	594
2012	297,487	(511)	296,976	296,680	-	296,680	296	-	296,680	296
2011	297,693	(444)	297,248	297,248	-	297,248	-	-	297,248	-
2010	277,398	(895)	276,503	276,117	16	276,133	370	16	276,133	370
2009	264,126	(856)	263,270	262,913	22	262,935	335	22	262,935	335
2008	244,014	(2,016)	241,998	241,711	25	241,735	263	25	241,735	264
Total	2,870,780	(9,264)	2,861,515	2,515,367	298,180	2,813,545	47,971	298,180	2,813,545	47,972

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Total Debt										
2017	\$ 103,184	\$ (415)	\$ 102,768	\$ -	\$ 93,449	\$ 93,449	\$ 9,319	\$ 93,449	\$ 93,449	\$ 9,319
2016	109,048	(53)	108,995	98,425	5,514	103,938	5,056	5,514	103,938	5,056
2015	107,755	(38)	107,717	102,616	3,817	106,434	1,283	3,817	106,434	1,283
2014	97,556	(6)	97,551	96,587	925	97,513	38	925	97,513	38
2013	88,862	(705)	88,157	87,923	14	87,937	220	14	87,937	220
2012	89,501	(135)	89,366	89,222	-	89,222	143	-	89,222	143
2011	78,722	(108)	78,615	77,878	21	77,899	716	21	77,899	716
2010	136,409	(387)	136,022	135,816	9	135,825	197	9	135,825	197
2009	143,178	(414)	142,764	142,470	10	142,480	284	10	142,480	284
2008	109,074	(773)	108,301	108,151	13	108,164	137	13	108,164	137
Total	1,063,289	(3,034)	1,060,256	939,088	103,772	1,042,861	17,393	103,772	1,042,861	17,393
ENMU - Ruidoso Ad Valorem										
2017	1,249,662	(551)	1,249,112	-	1,186,701	1,186,701	62,411	1,186,701	1,186,701	62,411
2016	1,201,800	(573)	1,201,227	1,139,448	35,885	1,175,333	25,894	35,885	1,175,333	25,894
2015	1,190,206	(745)	1,189,461	1,165,925	16,501	1,182,426	7,035	16,501	1,182,426	7,035
2014	1,156,679	(3,935)	1,152,744	1,146,896	3,290	1,150,186	2,559	3,290	1,150,186	2,559
2013	1,129,477	(2,636)	1,126,841	1,125,572	340	1,125,912	928	340	1,125,912	928
2012	1,093,506	(1,174)	1,092,332	1,091,505	167	1,091,672	660	167	1,091,672	660
2011	1,045,423	(423)	1,045,000	1,044,420	37	1,044,457	543	37	1,044,457	543
2010	1,004,503	(1,764)	1,002,739	1,002,278	35	1,002,313	426	35	1,002,313	426
2009	985,155	(1,983)	983,172	983,172	-	983,172	-	-	983,172	-
2008	898,344	(238)	898,106	897,820	17	897,837	269	17	897,837	267
Total	10,954,755	(14,022)	10,940,734	9,597,036	1,242,973	10,840,009	100,725	1,242,973	10,840,009	100,723
Capitan Schools - Operational										
2017	108,579	(117)	108,462	-	104,428	104,428	4,034	104,428	104,428	4,034
2016	105,581	(58)	105,523	101,431	2,463	103,895	1,628	2,463	103,895	1,628
2015	104,460	(84)	104,376	102,983	1,017	104,000	376	1,017	104,000	376
2014	100,470	(138)	100,333	100,066	164	100,230	102	164	100,230	102
2013	98,457	(52)	98,405	98,346	23	98,370	35	23	98,370	35
2012	94,769	61	94,830	94,795	7	94,802	27	7	94,802	27
2011	90,570	(54)	90,516	90,515	1	90,516	-	1	90,516	-
2010	87,120	(79)	87,041	87,023	5	87,027	13	5	87,027	13
2009	85,249	20	85,268	85,259	-	85,259	9	-	85,259	9
2008	77,743	61	77,804	77,791	-	77,791	12	-	77,791	13
Total	952,998	(440)	952,558	838,209	108,108	946,318	6,236	108,108	946,318	6,237

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Capitan Schools - Debt Service										
2017	\$ 478,875	\$ (403)	\$ 478,471	\$ -	\$ 461,930	\$ 461,930	\$ 16,541	\$ 461,930	\$ 461,930	\$ 16,541
2016	464,055	(196)	463,858	446,543	10,547	457,089	6,769	10,547	457,089	6,769
2015	467,033	(323)	466,711	460,811	4,292	465,103	1,608	4,292	465,103	1,608
2014	463,524	(459)	463,064	461,789	724	462,513	551	724	462,513	551
2013	483,229	(129)	483,100	482,831	116	482,947	153	116	482,947	153
2012	-	-	-	-	-	-	-	-	-	-
2011	206,263	(71)	206,191	206,124	21	206,145	47	21	206,145	47
2010	202,490	(92)	202,398	202,356	38	202,393	5	38	202,393	5
2009	225,220	103	225,322	225,295	-	225,296	26	-	225,296	26
2008	237,876	305	238,181	238,145	-	238,145	36	-	238,145	36
Total	3,228,565	(1,265)	3,227,296	2,723,894	477,668	3,201,561	25,736	477,668	3,201,561	25,736
Capital Improvements										
2017	821,580	(693)	820,887	-	792,431	792,431	28,456	792,431	792,431	28,456
2016	805,701	(344)	805,357	775,283	18,325	793,608	11,749	18,325	793,608	11,749
2015	803,707	(514)	803,193	793,137	7,387	800,524	2,669	7,387	800,524	2,669
2014	763,827	(707)	763,120	761,301	1,185	762,485	635	1,185	762,485	635
2013	750,634	(192)	750,442	750,024	180	750,204	237	180	750,204	237
2012	735,829	655	736,485	736,241	49	736,290	195	49	736,290	195
2011	708,865	(245)	708,620	708,336	50	708,386	234	50	708,386	234
2010	690,015	(316)	689,699	689,557	40	689,596	103	40	689,596	103
2009	676,337	308	676,645	676,565	1	676,566	79	1	676,566	79
2008	586,299	757	587,056	586,974	-	586,974	82	-	586,974	81
Total	7,342,794	(1,291)	7,341,504	6,477,418	819,648	7,297,064	44,439	819,648	7,297,064	44,438
Ed Tech Debt										
2017	265,829	(223)	265,606	-	254,995	254,995	10,611	254,995	254,995	10,611
2016	484,845	(205)	484,640	466,573	11,020	477,592	7,047	11,020	477,592	7,047
2015	478,905	(303)	478,602	472,709	4,403	477,111	1,491	4,403	477,111	1,491
2014	434,628	(431)	434,198	433,118	679	433,798	400	679	433,798	400
2013	432,719	(115)	432,604	432,360	104	432,464	140	104	432,464	140
2012	411,668	368	412,036	411,899	28	411,926	110	28	411,926	110
2011	213,713	(74)	213,640	213,565	15	213,580	60	15	213,580	60
2010	181,029	(82)	180,947	180,910	14	180,924	22	14	180,924	22
2009	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
Total	2,903,336	(1,065)	2,902,273	2,611,134	271,258	2,882,390	19,881	271,258	2,882,390	19,881

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Carrizozo Schools - Operational										
2017	\$ 26,259	\$ 19	\$ 26,277	\$ -	\$ 25,092	\$ 25,092	\$ 1,186	\$ 25,092	\$ 25,092	\$ 1,186
2016	24,052	(1)	24,051	22,875	531	23,406	645	531	23,406	645
2015	22,772	(10)	22,762	22,080	381	22,461	301	381	22,461	301
2014	21,100	100	21,199	20,981	63	21,044	156	63	21,044	156
2013	20,676	24	20,700	19,919	9	19,928	771	9	19,928	771
2012	19,934	(19)	19,915	19,905	-	19,905	10	-	19,905	10
2011	19,000	(99)	18,901	18,893	2	18,893	8	2	18,893	8
2010	18,354	(70)	18,284	18,278	-	18,278	6	-	18,278	6
2009	17,421	44	17,465	17,462	-	17,462	3	-	17,462	3
2008	16,175	(518)	15,657	15,653	-	15,653	4	-	15,653	4
Total	205,743	(530)	205,211	176,046	26,078	202,122	3,090	26,078	202,122	3,090
Debt Service										
2017	346,611	222	346,833	-	330,123	330,123	16,711	330,123	330,123	16,711
2016	339,718	(42)	339,676	322,207	8,028	330,235	9,441	8,028	330,235	9,441
2015	318,126	(131)	317,995	307,906	5,753	313,659	4,336	5,753	313,659	4,336
2014	311,172	1,370	312,542	309,354	974	310,328	2,214	974	310,328	2,214
2013	305,587	330	305,917	294,922	135	295,057	10,860	135	295,057	10,860
2012	286,840	(261)	286,580	286,408	4	286,411	168	4	286,411	168
2011	282,553	(1,368)	281,185	281,050	4	281,054	131	4	281,054	131
2010	278,140	(983)	277,157	277,038	4	277,042	114	4	277,042	114
2009	262,946	710	263,656	263,599	4	263,603	54	4	263,603	54
2008	247,154	(7,261)	239,893	239,872	4	239,876	17	4	239,876	16
Total	2,978,847	(7,414)	2,971,434	2,582,356	345,033	2,927,388	44,046	345,033	2,927,388	44,045
Capital Improvements										
2017	129,289	83	129,373	-	123,188	123,188	6,185	123,188	123,188	6,185
2016	124,826	(14)	124,812	118,425	2,927	121,352	3,460	2,927	121,352	3,460
2015	118,770	(49)	118,721	114,968	2,138	117,106	1,615	2,138	117,106	1,615
2014	115,204	510	115,715	114,532	359	114,891	824	359	114,891	824
2013	113,194	122	113,316	109,269	49	109,318	3,999	49	109,318	3,999
2012	91,007	(81)	90,928	90,869	1	90,870	56	1	90,870	56
2011	86,805	(403)	86,402	86,358	1	86,360	42	1	86,360	42
2010	83,751	(294)	83,457	83,421	1	83,422	35	1	83,422	35
2009	79,773	217	79,990	79,972	1	79,974	16	1	79,974	16
2008	73,868	(2,111)	71,757	71,657	1	71,658	99	1	71,658	98
Total	1,016,487	(2,020)	1,014,471	869,471	128,666	998,139	16,331	128,666	998,139	16,330

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Corona Schools - Operational										
2017	\$ 22,851	\$ 2,293	\$ 25,144	\$ -	\$ 25,048	\$ 25,048	\$ 96	\$ 25,048	\$ 25,048	\$ 96
2016	24,384	(673)	23,711	23,524	168	23,692	19	168	23,692	19
2015	20,410	1,635	22,045	21,921	83	22,003	41	83	22,003	41
2014	17,039	1,758	18,797	18,717	78	18,796	3	78	18,796	3
2013	15,417	1,887	17,304	17,303	-	17,303	-	-	17,303	-
2012	16,008	1,027	17,035	17,032	-	17,032	4	-	17,032	4
2011	16,021	730	16,751	16,749	-	16,749	2	-	16,749	2
2010	15,994	(111)	15,883	15,878	-	15,878	5	-	15,878	5
2009	15,172	1,211	16,383	16,383	-	16,383	1	-	16,383	-
2008	13,978	515	14,493	14,493	-	14,493	-	-	14,493	-
Total	177,274	10,272	187,546	162,000	25,377	187,377	171	25,377	187,377	170
Debt Service										
2017	97,796	9,736	107,532	-	107,106	107,108	424	107,106	107,108	424
2016	93,460	(2,571)	90,889	90,160	650	90,810	79	650	90,810	79
2015	87,426	7,958	95,384	93,853	362	94,215	1,169	362	94,215	1,169
2014	83,238	8,560	91,798	91,394	385	91,779	19	385	91,779	19
2013	82,689	10,043	92,732	92,732	1	92,733	-	1	92,733	-
2012	82,493	5,247	87,740	87,720	-	87,720	20	-	87,720	20
2011	96,461	4,357	100,818	100,800	-	100,800	18	-	100,800	18
2010	82,850	(567)	82,283	82,220	-	82,220	63	-	82,220	63
2009	88,388	7,013	95,401	95,399	-	95,399	2	-	95,399	3
2008	85,263	3,304	88,567	88,567	-	88,567	-	-	88,567	-
Total	880,064	53,080	933,144	822,845	108,504	931,351	1,794	108,504	931,351	1,795
Capital Improvements										
2017	92,130	9,172	101,302	-	100,902	100,902	400	100,902	100,902	400
2016	100,487	(2,763)	97,724	96,943	699	97,642	81	699	97,642	81
2015	84,224	6,546	90,770	90,416	349	90,765	5	349	90,765	5
2014	68,611	7,041	75,653	75,321	320	75,641	12	320	75,641	12
2013	62,124	7,546	69,670	69,670	-	69,670	-	-	69,670	-
2012	64,482	4,107	68,589	68,574	-	68,574	15	-	68,574	15
2011	64,530	2,917	67,447	67,436	-	67,436	12	-	67,436	12
2010	64,313	(425)	63,888	63,887	-	63,887	-	-	63,887	-
2009	61,062	4,845	65,907	65,906	-	65,906	1	-	65,906	-
2008	56,066	2,021	58,087	58,087	-	58,087	-	-	58,087	-
Total	718,029	41,007	759,037	656,240	102,270	758,510	526	102,270	758,510	525

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Hondo Valley Schools - Operational										
2017	\$ 17,112	\$ 722	\$ 17,834	\$ -	\$ 17,057	\$ 17,057	\$ 777	\$ 17,057	\$ 17,057	\$ 777
2016	17,951	(217)	17,733	16,908	460	17,367	366	460	17,367	366
2015	17,027	512	17,539	17,145	268	17,413	126	268	17,413	126
2014	16,593	537	17,130	17,042	52	17,094	36	52	17,094	36
2013	16,371	540	16,911	16,875	12	16,887	24	12	16,887	23
2012	15,943	307	16,251	16,229	4	16,232	18	4	16,232	18
2011	15,652	(77)	15,575	15,558	4	15,562	12	4	15,562	12
2010	14,397	(222)	14,175	14,153	3	14,156	19	3	14,156	19
2009	13,653	100	13,753	13,736	2	13,738	15	2	13,738	15
2008	12,438	44	12,482	12,451	4	12,455	27	4	12,455	28
Total	157,137	2,246	159,383	140,097	17,866	157,961	1,420	17,866	157,961	1,420
Debt Service										
2017	258,334	10,582	268,916	-	257,301	257,301	11,615	257,301	257,301	11,615
2016	249,752	(3,010)	246,743	235,280	6,405	241,685	5,058	6,405	241,685	5,058
2015	225,045	6,828	231,873	226,495	3,541	230,036	1,837	3,541	230,036	1,837
2014	226,337	7,150	233,487	232,266	716	232,982	505	716	232,982	505
2013	222,644	7,289	229,934	229,453	164	229,617	316	164	229,617	315
2012	234,818	4,471	239,289	238,952	52	239,004	285	52	239,004	285
2011	235,110	(1,164)	233,946	233,710	59	233,769	177	59	233,769	177
2010	206,583	(3,227)	203,356	203,037	39	203,075	280	39	203,075	280
2009	207,739	1,590	209,329	209,087	32	209,119	210	32	209,119	210
2008	150,090	385	150,475	150,215	45	150,260	214	45	150,260	214
Total	2,216,452	30,894	2,247,348	1,958,495	268,354	2,226,848	20,497	268,354	2,226,848	20,496
Capital Improvements										
2017	70,533	2,888	73,421	-	70,224	70,224	3,198	70,224	70,224	3,198
2016	72,393	(870)	71,523	68,190	1,858	70,048	1,475	1,858	70,048	1,475
2015	68,668	2,050	70,718	69,125	1,083	70,208	511	1,083	70,208	511
2014	66,903	2,148	69,051	68,694	209	68,903	148	209	68,903	147
2013	66,007	2,161	68,168	68,026	49	68,075	93	49	68,075	93
2012	64,369	1,230	65,599	65,506	14	65,520	79	14	65,520	79
2011	63,483	(314)	63,169	63,105	16	63,121	48	16	63,121	48
2010	57,604	(887)	56,717	56,626	11	56,637	80	11	56,637	80
2009	54,627	399	55,026	54,960	9	54,968	58	9	54,968	58
2008	49,733	114	49,847	49,804	15	49,819	28	15	49,819	26
Total	634,320	8,919	643,239	564,036	73,488	637,523	5,718	73,488	637,523	5,715

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Ruidoso Schools - Operational										
2017	\$ 239,726	\$ (127)	\$ 239,599	\$ -	\$ 227,135	\$ 227,135	\$ 12,465	\$ 227,135	\$ 227,135	\$ 12,465
2016	234,697	(131)	234,566	221,747	7,341	229,088	5,478	7,341	229,088	5,478
2015	232,504	(156)	232,347	227,459	3,407	230,866	1,481	3,407	230,866	1,481
2014	226,022	(974)	225,048	223,806	716	224,522	526	716	224,522	525
2013	220,007	(668)	219,340	219,080	76	219,155	185	76	219,155	184
2012	213,700	(319)	213,381	213,220	38	213,259	122	38	213,259	122
2011	204,284	(93)	204,191	204,085	7	204,091	100	7	204,091	100
2010	196,029	(439)	195,590	195,489	4	195,493	97	4	195,493	97
2009	190,411	(472)	189,939	189,847	1	189,848	91	1	189,848	91
2008	173,171	(35)	173,136	172,911	3	172,914	222	3	172,914	220
Total	2,130,551	(3,414)	2,127,137	1,867,644	238,728	2,106,371	20,767	238,728	2,106,371	20,763
Debt Service										
2017	4,043,962	(1,789)	4,042,173	-	3,839,624	3,839,624	202,548	3,839,624	3,839,624	202,548
2016	4,026,138	(1,883)	4,024,255	3,816,320	120,360	3,936,680	87,574	120,360	3,936,680	87,574
2015	3,955,391	(2,523)	3,952,868	3,873,932	55,122	3,929,054	23,814	55,122	3,929,054	23,814
2014	3,885,812	(13,834)	3,871,978	3,852,556	11,272	3,863,828	8,150	11,272	3,863,828	8,149
2013	3,665,960	(8,914)	3,657,048	3,652,816	1,126	3,653,942	3,104	1,126	3,653,942	3,103
2012	3,638,294	(3,567)	3,634,727	3,631,972	534	3,632,505	2,221	534	3,632,505	2,221
2011	3,482,155	(1,381)	3,480,774	3,478,784	126	3,478,911	1,863	126	3,478,911	1,863
2010	2,791,662	(4,844)	2,786,818	2,785,553	68	2,785,620	1,197	68	2,785,620	1,197
2009	2,662,484	(5,493)	2,656,991	2,655,650	19	2,655,668	1,322	19	2,655,668	1,322
2008	2,967,321	(831)	2,966,490	2,965,617	56	2,965,673	817	56	2,965,673	819
Total	35,119,179	(45,059)	35,074,122	30,713,200	4,028,307	34,741,505	332,610	4,028,307	34,741,505	332,610
Capital Improvements										
2017	1,364,353	(605)	1,363,748	-	1,295,438	1,295,438	68,310	1,295,438	1,295,438	68,310
2016	1,339,482	(646)	1,338,835	1,269,485	40,116	1,309,601	29,234	40,116	1,309,601	29,234
2015	1,330,622	(845)	1,329,777	1,303,260	18,544	1,321,803	7,974	18,544	1,321,803	7,974
2014	1,301,583	(4,599)	1,296,985	1,290,320	3,763	1,294,083	2,902	3,763	1,294,083	2,902
2013	1,273,787	(3,097)	1,270,689	1,269,217	391	1,269,608	1,081	391	1,269,608	1,080
2012	1,223,874	(1,224)	1,222,651	1,221,720	181	1,221,901	749	181	1,221,901	749
2011	1,176,674	(469)	1,176,206	1,175,533	43	1,175,575	631	43	1,175,575	631
2010	1,134,647	(1,941)	1,132,706	1,132,197	28	1,132,224	482	28	1,132,224	482
2009	1,105,537	(2,194)	1,103,343	1,102,785	8	1,102,792	550	8	1,102,792	550
2008	1,007,841	(282)	1,007,559	1,007,173	19	1,007,192	366	19	1,007,192	367
Total	12,258,400	(15,902)	12,242,499	10,771,690	1,358,531	12,130,217	112,279	1,358,531	12,130,217	112,279

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Ruidoso Schools - Ed Tech Debt										
2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2010	652,505	(1,132)	651,373	651,076	16	651,092	281	16	651,092	280
2009	714,262	(1,474)	712,788	712,427	5	712,432	356	5	712,432	356
2008	-	-	-	-	-	-	-	-	-	-
Total	1,366,767	(2,606)	1,364,161	1,363,503	21	1,363,524	637	21	1,363,524	636
LCMC - Levy										
2017	2,484,472	10,845	2,495,316	-	2,388,362	2,388,362	106,954	2,388,362	2,388,362	106,954
2016	2,476,118	(4,712)	2,471,406	2,360,178	64,730	2,424,909	46,497	64,730	2,424,909	46,497
2015	2,369,677	6,835	2,376,512	2,335,079	28,940	2,364,019	12,493	28,940	2,364,019	12,493
2014	2,276,782	3,935	2,280,717	2,270,932	5,667	2,276,599	4,118	5,667	2,276,599	4,117
2013	2,225,078	6,108	2,231,186	2,225,395	650	2,226,045	5,140	650	2,226,045	5,140
2012	2,176,062	4,652	2,180,714	2,179,412	245	2,179,657	1,057	245	2,179,657	1,057
2011	2,093,924	1,439	2,095,363	2,094,285	109	2,094,394	969	109	2,094,394	969
2010	2,010,468	(3,828)	2,006,639	2,005,804	78	2,005,883	756	78	2,005,883	756
2009	1,952,773	3,213	1,955,986	1,955,397	19	1,955,416	571	19	1,955,416	571
2008	1,779,389	378	1,779,767	1,779,247	35	1,779,282	485	35	1,779,282	485
Total	21,844,743	28,865	21,873,606	19,205,729	2,488,835	21,694,566	179,040	2,488,835	21,694,566	179,039
Rural Clinics - Levy										
2017	745,344	3,253	748,597	-	716,512	716,512	32,086	716,512	716,512	32,086
2016	742,839	(1,414)	741,426	708,058	19,419	727,476	13,949	19,419	727,476	13,949
2015	711,203	2,052	713,255	700,819	8,687	709,506	3,749	8,687	709,506	3,749
2014	683,183	1,181	684,364	681,428	1,701	683,129	1,235	1,701	683,129	1,234
2013	667,527	1,832	669,359	667,622	195	667,817	1,542	195	667,817	1,542
2012	652,820	1,397	654,217	653,825	73	653,899	318	73	653,899	318
2011	628,206	432	628,638	628,315	33	628,347	291	33	628,347	291
2010	602,836	(1,183)	601,652	601,436	24	601,460	193	24	601,460	193
2009	585,688	965	586,653	586,494	6	586,500	153	6	586,500	153
2008	533,701	96	533,797	533,659	11	533,670	127	11	533,670	127
Total	6,553,347	8,611	6,561,958	5,761,656	746,661	6,508,316	53,643	746,661	6,508,316	53,642

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Alpine Village Sanitation - Levy										
2017	\$ 40,357	\$ -	\$ 40,357	\$ -	\$ 38,990	\$ 38,990	\$ 1,367	\$ 38,990	\$ 38,990	\$ 1,367
2016	39,100	-	39,100	38,509	235	38,744	357	235	38,744	357
2015	39,200	-	39,200	38,590	493	39,083	117	493	39,083	117
2014	39,201	-	39,201	39,082	-	39,082	118	-	39,082	117
2013	38,946	-	38,946	38,825	-	38,825	121	-	38,825	121
2012	38,191	-	38,191	38,069	-	38,069	122	-	38,069	122
2011	36,971	-	36,971	36,851	-	36,851	121	-	36,851	121
2010	36,690	-	36,690	36,568	-	36,568	122	-	36,568	121
2009	36,168	-	36,168	36,168	-	36,168	-	-	36,168	-
2008	34,506	(5)	34,501	34,501	-	34,501	-	-	34,501	-
Total	379,330	(5)	379,325	337,163	39,718	376,881	2,445	39,718	376,881	2,443
Sun Valley Sanitation - Levy										
2017	62,149	(60)	62,088	-	61,407	61,407	681	61,407	61,407	681
2016	64,684	-	64,684	64,121	251	64,373	312	251	64,373	312
2015	63,083	-	63,083	62,992	-	62,992	91	-	62,992	90
2014	63,511	-	63,511	63,511	-	63,511	-	-	63,511	-
2013	63,100	-	63,100	63,100	-	63,100	-	-	63,100	-
2012	60,772	-	60,772	60,772	-	60,772	-	-	60,772	-
2011	59,000	-	59,000	59,000	-	59,000	-	-	59,000	-
2010	57,824	-	57,824	57,824	-	57,824	-	-	57,824	-
2009	57,823	-	57,823	57,823	-	57,823	-	-	57,823	-
2008	55,070	-	55,070	55,070	-	55,070	-	-	55,070	-
Total	607,016	(60)	606,955	544,213	61,658	605,872	1,084	61,658	605,872	1,083
Alto Lakes Conser. District - Levy										
2017	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Carrizozo Soil & Water - Levy										
2017	\$ 69,038	\$ 4,533	\$ 73,571	\$ -	\$ 72,792	\$ 72,792	\$ 779	\$ 72,792	\$ 72,792	\$ 779
2016	72,434	(1,520)	70,914	70,046	453	70,498	416	453	70,498	416
2015	64,260	3,410	67,670	67,305	186	67,491	178	186	67,491	177
2014	43,376	2,657	46,032	45,915	30	45,945	87	30	45,945	87
2013	39,064	2,842	41,906	41,886	9	41,895	10	9	41,895	9
2012	39,000	1,560	40,559	40,559	-	40,559	-	-	40,559	-
2011	38,429	909	39,338	39,331	-	39,331	7	-	39,331	7
2010	37,898	(671)	37,227	37,225	-	37,225	2	-	37,225	2
2009	34,670	1,209	35,879	35,877	-	35,877	2	-	35,877	1
2008	41,313	(628)	40,685	40,684	1	40,685	-	1	40,685	-
Total	479,482	14,301	493,781	418,828	73,471	492,298	1,481	73,471	492,298	1,478
Chaves County Soil & Water - Levy										
2017	2,839	-	2,839	-	2,662	2,662	177	2,662	2,662	177
2016	2,818	-	2,818	2,539	259	2,798	19	259	2,798	18
2015	2,781	-	2,781	2,600	181	2,781	-	181	2,781	-
2014	2,731	-	2,731	2,731	-	2,731	-	-	2,731	-
2013	2,690	-	2,690	2,690	-	2,690	-	-	2,690	-
2012	2,627	-	2,627	2,627	-	2,627	-	-	2,627	-
2011	2,948	(230)	2,718	2,718	-	2,718	-	-	2,718	-
2010	2,310	-	2,310	2,310	-	2,310	-	-	2,310	-
2009	2,347	(39)	2,308	2,308	-	2,308	-	-	2,308	-
2008	2,021	-	2,021	2,021	-	2,021	-	-	2,021	-
Total	26,112	(269)	25,843	22,544	3,102	25,646	196	3,102	25,646	195
Claunch Pinto Soil & Water - Levy										
2017	4,097	-	4,097	-	4,027	4,027	69	4,027	4,027	69
2016	3,998	-	3,998	3,759	231	3,990	8	231	3,990	8
2015	3,967	-	3,967	3,799	160	3,959	8	160	3,959	7
2014	3,925	-	3,925	3,760	160	3,920	6	160	3,920	6
2013	3,875	-	3,875	3,869	-	3,869	6	-	3,869	6
2012	3,594	-	3,594	3,588	-	3,588	6	-	3,588	6
2011	2,975	-	2,975	2,972	-	2,972	4	-	2,972	4
2010	2,389	-	2,389	2,386	-	2,386	4	-	2,386	4
2009	2,484	-	2,484	2,484	-	2,484	-	-	2,484	-
2008	1,597	-	1,597	1,597	-	1,597	-	-	1,597	-
Total	32,901	-	32,901	28,214	4,578	32,792	111	4,578	32,792	110

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Upper Hondo Soil & Water - Levy										
2017	\$ 264,923	\$ 527	\$ 265,450	\$ -	\$ 256,834	\$ 256,834	\$ 8,618	\$ 256,834	\$ 256,834	\$ 8,618
2016	262,357	(342)	262,015	252,902	5,498	258,400	3,615	5,498	258,400	3,615
2015	257,289	421	257,710	254,731	2,020	256,751	959	2,020	256,751	958
2014	249,223	468	249,691	249,181	407	249,589	102	407	249,589	102
2013	240,169	445	240,614	240,545	29	240,575	40	29	240,575	40
2012	235,421	468	235,889	235,865	5	235,870	19	5	235,870	19
2011	224,335	(6)	224,328	224,272	10	224,282	46	10	224,282	46
2010	219,065	(223)	218,842	218,788	4	218,792	50	4	218,792	50
2009	213,135	161	213,296	213,269	2	213,271	25	2	213,271	22
2008	100,244	80	100,324	100,324	1	100,325	(1)	1	100,325	(1)
Total	2,266,161	1,999	2,268,159	1,989,877	264,810	2,254,689	13,473	264,810	2,254,689	13,469
Admin Fee - Ad Valorem										
2017	1,908	3	1,911	-	1,752	1,752	159	1,752	1,752	159
2016	1,962	(8)	1,954	1,772	111	1,883	71	111	1,883	71
2015	1,897	4	1,901	1,849	18	1,867	35	18	1,867	35
2014	1,928	(7)	1,921	1,900	6	1,906	15	6	1,906	14
2013	1,898	(17)	1,882	1,870	1	1,871	10	1	1,871	10
2012	1,856	(18)	1,838	1,828	-	1,828	11	-	1,828	11
2011	1,889	(6)	1,883	1,872	-	1,872	11	-	1,872	11
2010	1,977	(28)	1,949	1,945	-	1,945	4	-	1,945	4
2009	1,849	(3)	1,846	1,841	-	1,841	4	-	1,841	4
2008	2,003	-	2,003	1,985	-	1,985	18	-	1,985	42
Total	19,167	(80)	19,088	16,862	1,888	18,750	338	1,888	18,750	361
Non Rendition Fee - Ad Valorem										
2017	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2014	-	167	167	167	-	167	-	-	167	-
2013	-	50	50	50	-	50	-	-	50	-
2012	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2009	-	122	122	122	-	122	-	-	122	-
2008	-	383	383	382	-	382	-	-	382	-
Total	-	722	722	721	-	721	-	-	721	-

**STATE OF NEW MEXICO
LINCOLN COUNTY
PROPERTY TAX SCHEDULE (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Agency	Year	Property Taxes Levied	Current Changes to Taxes Levied	Adjusted Property Taxes Levied	Previous Amount Collected	Collected in Current Year	Collected to Date	Sum Levy Less Collection	Distributed in Current Year	Distributed to Date	County Receivable at Year End
Lincoln County	2017	\$ 30,253,557	\$ 119,280	\$ 30,372,838	\$ -	\$28,989,483	\$ 28,989,485	\$1,383,356	\$28,989,483	\$ 28,989,485	\$1,383,356
Lincoln County	2016	29,974,595	(54,877)	29,919,717	28,498,728	817,945	28,579,922	603,043	817,945	29,316,667	603,041
Lincoln County	2015	29,326,554	71,780	29,398,338	28,848,764	383,720	28,482,950	165,853	383,720	29,232,483	165,848
Lincoln County	2014	28,309,537	21,156	28,330,698	28,198,182	74,510	27,525,919	59,004	74,510	28,272,695	57,997
Lincoln County	2013	26,825,930	58,581	26,884,515	26,806,047	8,219	26,814,266	70,242	8,219	26,814,266	70,236
Lincoln County	2012	25,654,224	41,551	25,695,778	25,678,957	3,219	25,682,176	13,597	3,217	25,682,176	13,597
Lincoln County	2011	24,699,993	12,560	24,712,554	24,699,212	1,200	24,700,408	12,151	1,200	24,700,408	12,151
Lincoln County	2010	24,069,114	(56,215)	24,012,894	24,002,498	946	24,003,439	9,450	946	24,003,439	9,449
Lincoln County	2009	22,881,504	22,743	22,904,244	22,896,878	238	22,897,115	7,129	238	22,897,115	7,124
Lincoln County	2008	20,697,039	(5,638)	20,691,401	20,685,298	438	20,685,735	5,662	438	20,685,735	5,682
		<u>\$262,692,047</u>	<u>\$ 230,921</u>	<u>\$ 262,922,977</u>	<u>\$230,314,564</u>	<u>\$30,279,918</u>	<u>\$258,361,415</u>	<u>\$2,329,487</u>	<u>\$30,279,916</u>	<u>\$ 260,594,469</u>	<u>\$2,328,481</u>

**STATE OF NEW MEXICO
LINCOLN COUNTY
LIST OF INDIVIDUAL DEPOSIT AND INVESTMENT ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 201**

Account Name	First National Bank	NMFA Cash Reserves	Fidelity Investments	City Bank	First Savings Bank	New Mexico LGIP
Money Market Account	\$ 52,403	\$ -	\$ -	\$ 2,001,663	\$ 1,767,557	\$ -
Investment	-	-	277,028	-	-	-
Investment	-	-	1,898,761	-	-	-
Checking Operational	15,488,989	-	-	-	-	-
Checking Detention Trust	22,894	-	-	-	-	-
Certificate of Deposit	-	-	-	-	250,000	-
Certificate of Deposit	-	-	-	-	500,000	-
Investment	-	-	-	-	-	1,315
NMFA Reserve	-	22,670,659	-	-	-	-
Total	<u>15,564,286</u>	<u>22,670,659</u>	<u>2,175,789</u>	<u>2,001,663</u>	<u>2,517,557</u>	<u>1,315</u>
Reconciling Items	(461,845)	-	-	-	-	-
Reconciled Balance	<u>\$ 15,102,441</u>	<u>\$ 22,670,659</u>	<u>\$ 2,175,789</u>	<u>\$ 2,001,663</u>	<u>\$ 2,517,557</u>	<u>\$ 1,315</u>

Account Name	Pioneer Bank	Washington Federal Bank	Wells Fargo Bank	BBVA Compass Bank	Total
Money Market Account	\$ 1,634,306	\$ 50,077	\$ 10,007	\$ 2,007,705	\$ 7,523,718
Investment**	-	-	-	-	277,028
Investment	-	-	-	-	1,898,761
Checking Operational	-	-	-	-	15,488,989
Checking Detention Trust	-	-	-	-	22,894
Certificate of Deposit	-	10,000	-	-	260,000
Certificate of Deposit	-	240,000	-	-	740,000
Investment	-	-	-	-	1,315
NMFA Reserve	-	-	-	-	22,670,659
Total	<u>1,634,306</u>	<u>300,077</u>	<u>10,007</u>	<u>2,007,705</u>	<u>48,883,364</u>
Reconciling Items	-	-	-	-	(461,845)
Reconciled Balance	<u>\$ 1,634,306</u>	<u>\$ 300,077</u>	<u>\$ 10,007</u>	<u>\$ 2,007,705</u>	<u>\$ 48,421,519</u>

Petty Cash	2,050
Less: Investments	(3,177,104)
Less: Agency Funds Cash	(355,327)
Less: Restricted Cash and Cash Equivalents	(22,670,659)
Total unrestricted cash and cash equivalents	<u>\$ 22,220,479</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
SCHEDULE OF PLEDGED COLLATERAL
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value at June 30, 2018</u>	
First National Bank	FNMA Pool #AB2800	4/1/2026	31416YDE5	\$ 582,969	
	FHLMC Pool #G14497	6/1/2027	3128MDGE7	742,151	
	FHLMC Pool #J20134	8/1/2027	31306XEF6	715,952	
	GNMA II Pool #MA0825	3/20/2028	36179M4J6	716,651	
	FNMA Pool #AW5384	6/1/2029	3138XU5J7	585,566	
	FNMA Pool #MA2254	4/12/2030	3141BQG4	989,599	
	FNMA Pool #MA0641	2/1/2031	31417YWB9	613,604	
	FNMA Pool #MA2675	7/1/2031	314118B6M3	1,484,763	
	FHLMC Pool #G18607	8/1/2023	3128MMU92	1,517,914	
	FNMA Pool #BD3676	8/1/2023	3140FBCN8	1,468,001	
	FNMA Pool #AL4778	10/1/2032	3138EMJY8	584,644	
	FNMA Pool #MA1200	10/1/2032	31418AAKN7	1,156,884	
	FNMA Pool #MA1237	11/1/2032	31418ALT3	1,171,869	
	FNMA Pool #MA2197	3/1/2035	31418BNP7	1,165,940	
	FNMA Pool #MA2197	3/1/2035	31418BNP7	1,587,389	
	FHLMC Pool #C91879	6/1/2036	3128P8CQ2	1,708,879	
	FHLMC Pool #C91882	8/1/2036	3128P8CT6	1,656,478	
	FHLMC Pool #C91887	9/1/2036	3128PCY5	1,712,694	
	Total First National Bank				\$ 20,161,947
	First Savings Bank	FHLMC 15-Yr	12/1/2020	31336WAL3	\$ -
FHLMC 10-Yr		4/1/2022	31294MN72	16,867	
FNMA 10-Yr		12/1/2022	3138MPXG5	143,497	
FHLMC 10-Yr		3/1/2023	31307BJW1	21,881	
FHLMC 10-Yr		3/1/2023	31307BJW1	14,587	
FNMA 10-Yr		4/1/2024	31418BB54	67,040	
FNMA 10-Yr		4/1/2024	31418BB54	301,681	
Dona Ana Co NM 25		9/1/2025	257579CX8	57,021	
FNMA 15-Yr		11/1/2027	3138MJWW5	135,399	
HR 4136 NG		11/15/2027	3137AWKN4	381,546	
FNMA 15-Yr		1/1/2028	3138EKJA4	26,071	
FNMA 15-Yr		1/1/2028	3138EKJA4	21,726	
FNMA 15-Yr		1/1/2028	3138EKJA4	32,589	
FNMA 15-Yr		12/1/2029	3140J5EA3	90,868	
FNMA 10-Yr		1/1/2028	31418CTF1	151,652	
FHLMC 15-Yr		8/1/2013	3128ME4M0	303,305	
GNR 2010-115 QG		11/20/2038	38377KKM1	114,855	
GNR 2010-115 QG		11/20/2038	38377KKM1	13,725	
GNR 2010-115 QG		11/20/2038	38377KKM1	2,745	
GNR 2009-55 HC		6/20/2039	38374VPS2	6,863	
GNR 2010-150 GJ		9/20/2039	38377NLJ1	10,206	
FHR 3925 DE		7/15/2040	3137AFGA4	99,931	
GNR 2011-43 E		12/20/2040	38377UMA3	5,997	
FNR 2014-37 GJ		6/25/2042	3136AKGQ0	91,469	
FNR 2013-73 TC		9/25/2042	3136AFTR5	88,775	
FHR 4505 PA		5/15/2044	3137BKWM8	124,340	
Total First Savings Bank				\$ 2,324,636	

See Independent Auditors' Report

**STATE OF NEW MEXICO
LINCOLN COUNTY
SCHEDULE OF PLEDGED COLLATERAL (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value at June 30, 2018</u>
City Bank	FNMA #AL1452	1/1/2027	085279QX8	\$ 1,233,273
	FHLMC G #14402	2/1/2027	085279QX8	1,384,682
	Total City Bank			<u>\$ 2,617,955</u>
Pioneer Bank	FFCB Callable	5/16/2023	3133EGAD7	\$ 1,500,000
	FHLMC #1B0951 ARM	7/1/2033	31336STG3	168,700
	FHLMC ARM 781721	7/1/2034	31349S4E0	25,820
	FNMA #661745 ARM	9/1/2032	31391BES2	4,826
	FNMA #745130 ARM	11/1/2035	31403CY39	51,858
	FNMA #759453 ARM	1/1/2034	31403VWN5	48,529
	FNMA #845529 ARM	12/1/2035	314408ALJ7	127,107
	GNMA II #080418 ARM	6/20/2030	36225CPC4	35,321
	GNMA II #80477 ARM	12/20/2030	35225CQ74	4,451
Total Pioneer Bank				<u>\$ 1,966,612</u>
Washington Federal Bank	FNMA PL #BC2636	11/1/2046	3140EW4W2	\$ 789,973
	Total Washington Federal Bank			<u>\$ 789,973</u>
Compass Bank	Letter of Credit	10/30/2017	101345	\$ 1,850,000
	Total Compass Bank			<u>\$ 1,850,000</u>
Total Pledged Collateral				<u>\$ 29,711,123</u>

The accompanying notes are an integral part of these financial statements



INDEPENDENT AUDITORS' 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

Honorable Brian S. Colón, Esq.
New Mexico State Auditor
Santa Fe, New Mexico
and

Honorable Members of the Board of 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual funds of the County, presented as supplementary information, and have issued our report thereon dated February 4, 2019.

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 control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. 2018-003.

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 2018-001, 2018-002 and 2018-2004.

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.

Kubiak Melton & Associates, LLC

Kubiak Melton & Associates, LLC
Auditors – Business Consultants - CPAs

Albuquerque, New Mexico
February 4, 2019

**STATE OF NEW MEXICO
LINCOLN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

Section I – Financial Statement Findings

2018-001 – Internal Controls over Receipts and Deposits – Other Noncompliance

Condition: During our testwork of the Planning Department's receipts and deposits related to placard fees and alarm permit fees, we noted:

- Ten (10) out of ten (10) deposits tested did not have the copy of the check/money order to review.
- Six (6) out of ten (10) deposits did not have a receipt associated with the receipt of cash; in this case, there was only a deposit slip and a daily collection sheet.
- One (1) out of ten (10) deposits tested were not sent to the bank in a timely manner. The total of these deposits amounted to \$3,380.

Criteria: Appropriate internal controls in cash receipts and cash disbursements is required to properly report all revenues and expenditures as required by Section 6-6-3, NMSA 1978 law related to the 24 hour deposit rule (Rule).

Effect: There is no audit trail to confirm when payments were received and subsequently deposited. Cash not deposited timely is more susceptible to misappropriation.

Cause: Management of the Planning Department was not aware they must keep copies of the checks and receipts associated with County revenues. It is also noted that there is no in-house accounting system at the Planning Department, so all revenues are receipted out by hand.

Auditors' Recommendation: We recommend that management adopt a comprehensive system of internal controls as they relate to receipts and deposits. All departments should be subject to the same policies and procedures.

Management's Response: The Planning Department has created and implemented policy and procedures that relate to receipts and deposits that will be used on a daily basis for all funds received. The Finance Department also directed the installation of software and receipt printers for each user which will produce daily reports to be stored and backed-up every evening. Internal controls have been developed and implemented.

Responsible Parties: County Manager and Director of Planning and Project Management.

**STATE OF NEW MEXICO
LINCOLN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

2018-002 – Internal Controls over Cash Management – Other Noncompliance

Condition: During our testwork of grant compliance for the County, we identified monthly drawdowns did not correspond with monthly expenditures for the *High Intensity Drug Trafficking Area* (HIDTA) program.

Criteria: Cash management encompasses the requirement to draw down cash as needed. Cash disbursements should match draw down requests for the period. Expenditures did not match draw down requests by reporting month but did match in total for the year.

Effect: The County is not in compliance with the provisions of the *Subaward Recipient Agreement between County of Lea and County of Lincoln*.

Cause: There are currently no procedures in place to coordinate monthly reporting of expenditures to amounts requested to drawdown by the finance department and the Sheriff's Department.

Auditors' Recommendation: Implement procedures to ensure that drawdowns for the programs are coordinated with actual expenditures for a reporting period. Expenditures tracked by the Sheriff's Department should be reconciled to the County's general ledger and vice versa to verify completeness of reporting and any potential discrepancies.

Management's Response: The Finance Department and the HIDTA grant personnel have developed a system that requires drawdowns for the programs to be coordinated with actual expenditures for a reporting period. The system ensures the monthly expenses shown on the County's General Ledger and Expense Report match the expenses included in the monthly report filed with HIDTA. This tool is working well for both departments.

Responsible Parties: Finance Manager and Sheriff's Department.

**STATE OF NEW MEXICO
LINCOLN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

2018-003 – Internal Controls over Master Vendor File – Significant Deficiency

Condition: The County does not have a comprehensive documented internal control policy for the control and oversight of changes, updates, etc. being made and the Master Vendor File. We noted that the Master Vendor Change File is controlled by one individual who possesses the control to make vendor changes without management approval or oversight.

Criteria: Appropriate internal controls over the Master Vendor File are imperative to mitigate the risk of misappropriation of County assets. Such risks include, ghost vendors, changing of vendor addresses with intention to misappropriate County dollars and multiple other risks.

Effect: Because the internal control structure was not documented, the effect was that management and staff were unaware about what procedures and processes are being performed or what key controls were in place to properly rely on vendor changes related to disbursement processes. Adequate controls were not in place to keep track of the vendor changes being made. Failure to improve and implement policies and procedures may result in an increased risk of potential fraud and/or potential discrepancies.

Cause: For the fiscal year 2018, management did not have a documented policy that was being followed to ensure internal controls over vendor file changes.

Auditors' Recommendation: We recommend that management implement proper internal controls and oversight over the Master Vendor Change File. We also recommend the policies and procedures be created and/or reviewed/updated annually by management to ensure that there is proper oversight and approval policies in place relevant to vendor changes.

Management's Response: The County has developed and implemented a process for verifying that all changes to the vendor master file have been reviewed. A computer program is in place that provides a listing of all new and existing vendor changes. These changes include the following: date, time, user, vendor number, nature of change, requirement to "print screen" before and after the change and file as supporting documents. The process requires monthly supervisory review. Internal controls have been developed and implemented.

Responsible Parties: County Manager, Finance Director and Purchasing Agent.

**STATE OF NEW MEXICO
LINCOLN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

2018-004 – Late Submission of Audit Report (Other Noncompliance - with NM State Audit Rule)

Condition: The County did not submit its audited financial statements by the statutorily required deadline of December 1, 2018.

Criteria: Section 2.2.2.9 A. of the New Mexico State Audit Rule outlines the due date as December 1, 2018.

Effect: The County is not in compliance with the NM State Auditor’s required deadline.

Cause: The County requested further procedures from the Independent Public Accountant that delayed the submission of the audit.

Auditors’ Recommendation: We recommend that the County submits their audit to the NM State Auditor’s Office by the required deadline.

Management’s Response: The County of Lincoln understands the importance of submitting its audit to the NM State Auditor’s Office by the required deadline; and has never missed that deadline prior to this year. The County signed an Engagement Letter with Kubiak Melton & Associates, LLC on June 28, 2018 to become effective on June 30, 2018, allowing sufficient time for the audit to be thoroughly conducted and submitted to the NM State Auditor’s Office by the December 1st deadline. There was not a doubt that the County would meet that critical deadline.

Impacting the timeliness of the filing of the County’s audit was its receipt on November 8, 2018 of a correspondence from Deputy State Auditor Jack Emmons to Lincoln County Commission Chair Preston Stone informing the County of the six allegations of “potential Procurement Code and Contract Violations” that it received from an anonymous constituent; and relaying the results of its fact-finding process. The County was expected to include in its formal audit due on December 1st a “finding” or “findings” based on the results compiled by the OSA’s Special Investigations Division (“SID”). The Lincoln County Commission unanimously determined not to blindly incorporate the findings of SID into its Audit, but rather to conduct its own additional audit; which necessarily meant the County audit would not be timely filed by December 1, 2018.

The County has entered into a Continuing Disclosure Agreement in connection with its Series 2012 Gross Receipts Tax Refunding Revenue Bonds which is a requirement set by the Municipal Securities Rulemaking Board to disclose to investors certain annual financial information as well as its audited financials by February 10th of each year. Failure to meet this requirement could impact the County’s ability to access the public markets in the future. Based on that concern, the Lincoln County Commission has directed that its existing Audit be filed prior to the February 10th deadline to stay in compliance with its Continuing Disclosure obligation. The review of the SID’s fact-finding analysis will be concluded and provided to the OSA by March 1, 2019.

Responsible Parties: Lincoln County Board of Commissioners and County Manager.

**STATE OF NEW MEXICO
LINCOLN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

Section II – Status of Prior Year Findings

2016-001 – Travel and Per Diem (Other Noncompliance) - Resolved

**STATE OF NEW MEXICO
LINCOLN COUNTY
EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2018**

An exit conference was held on February 4, 2019 to discuss the results of the audit. Attending were the following:

Representing the County:

Thomas F. Stewart, County Commissioner
Nita Taylor, County Manager
Charlene "Punkin" Schlarb, Finance Director
Sherri Huddleston, Chief Deputy Treasurer

Representing the Independent Auditors:

Daniel O. Trujillo, CPA, CFE, CGFM, CGMA
Jose "Joe" Ortiz, Audit Manager

Note: The financial statements in this report were prepared substantially by the Independent Audit firm of Kubiak Melton & Associates, LLC, with the assistance of County management.