



State of
New Mexico
McKinley County

Annual Financial Report
For the Year Ended June 30, 2016



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INTRODUCTORY SECTION

McKinley County
Annual Financial Report
June 30, 2016
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STATE OF NEW MEXICO

McKinley County

Official Roster

June 30, 2016

<u>Name</u>	<u>Elected Officials</u>	<u>Title</u>
Genevive Jackson		County Commissioner - Chairman
Anthony Tanner		County Commissioner
Carol Bowman-Muskett		County Commissioner
Harriett K. Becenti		County Clerk
Ernest Becenti Jr.		County Treasurer
Kathleen Arviso		County Assessor
Ron Silversmith		County Sheriff
Charley Long Sr.		County Probate Judge
	<u>Administrative Officials</u>	
Anthony Dimas Jr.		County Manager
Brian Money		Deputy County Manager
Douglas W. Decker		County Attorney
Sara A. Keeler		Finance Director
Dezirie Gomez		HR Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Timothy M. Keller
New Mexico State Auditor
The U.S. Office of Management and Budget and
The Board of McKinley County Commissioners
McKinley County
Gallup, 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 McKinley County, New Mexico (the County), as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the related budgetary comparisons presented as supplementary information as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall 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 McKinley County, as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County, as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the 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 11 through 17 and Schedules I and II and the Notes to the Required Supplementary Information on pages 74 through 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

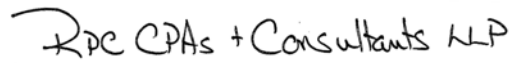
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The introductory section, the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Supporting Schedules III through VIII required by section 2.2.2 NMAC are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and Supporting Schedules III through VII required by section 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and Supporting Schedules III through VII required by section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2016 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



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

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

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

Financial Highlights

- The assets and deferred outflows of McKinley County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$111,670,002 (*net position*). Of this amount, \$10,864,760 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- Change in net position from operations for the year end was \$3,439,535. The increase is primarily due to an increase in several local new grants, the hospital paying on their past due rent and liquor excise tax increase to 6%, which resulted in a \$500,000 increase.
- At the end of the current fiscal year, fund balance for the general fund was \$23,389,374, or 220 percent of total general fund expenditures.
- Deferred outflows of resources of \$1,129,618 related to employer contributions subsequent to the measurement date, deferred inflows of resources of \$495,115, and a net pension liability of \$14,292,142 related to a pension plan are reported in the Statement of Net Position at June 30, 2016. These items are the result of the implementation of GASB 68 and GASB 71 relating to 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 McKinley County's basic financial statements. McKinley 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 McKinley County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of McKinley County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the assets and deferred outflows less liabilities and deferred inflows reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of McKinley 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 and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of McKinley 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 McKinley County include general government, public safety, public works, culture and recreation, and health and welfare.

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. McKinley 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 McKinley County can be divided into two categories: governmental funds and fiduciary funds.

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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*.

McKinley County maintains 45 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, Indigent Healthcare fund, and Adult Detention Center fund all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

McKinley 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 and all the special revenue funds to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental funds include budgetary comparison data.

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

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 McKinley County's own programs.

McKinley County fiduciary funds account for the collection of property taxes and special fees and their remittance to other governmental agencies, and accounts for the Telecommunication program fees collected on behalf of the provider.

The Statement of Fiduciary Assets and Liabilities- Agency Funds can be found at Exhibit D-1 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-71 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information to the financial statements. Combining and individual fund statements and schedules can be found on pages 86-146 of this report.

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Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of McKinley County assets and deferred outflows exceeded liabilities and deferred inflows by \$111,670,002 and \$108,230,467 at the close of the fiscal years ended June 30, 2016 and June 30, 2015, respectively. The County also had revenues that exceeded expenditures during the year in the amount of \$3,439,535 which increased net position as a result of operations, before considering restatements.

A large portion of the County's net position reflects its net 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 net 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 (\$42,383,843) of McKinley County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$10,864,760) may be used to meet the government's ongoing obligations to citizens and creditors.

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

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 68,923,236	\$ 66,885,315
Capital assets	73,776,060	72,739,868
Deferred outflows of resources	<u>2,075,092</u>	<u>2,066,094</u>
Total assets and deferred outflows of resources	<u>144,774,388</u>	<u>141,691,277</u>
Current Liabilities	2,877,352	3,218,954
Non-current liabilities	29,731,919	26,251,689
Deferred inflows of resources	<u>495,115</u>	<u>3,990,169</u>
Total liabilities and deferred inflows of resources	<u>33,104,386</u>	<u>33,460,812</u>
Net position:		
Invested in capital assets, net of related debt	58,421,399	56,714,868
Restricted for:		
Debt service	1,483,048	1,665,505
Capital projects	9,240,403	11,252,594
Other Purpose- special revenue	31,660,392	24,883,310
Unrestricted	<u>10,864,760</u>	<u>13,714,190</u>
Total net position	<u>111,670,002</u>	<u>108,230,467</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 144,774,388</u>	<u>\$ 141,691,279</u>

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Changes in Net Position

The County's total revenues of \$44,579,066 and program expenses of \$41,139,531 resulted in a change in net position of \$3,439,535 before restatements or special items. The County incurred an increase in program revenues and in overall expenditures over the prior year. The County also maintained favorable budget to actual expenditure variances. While comparing balances from current year to the prior year, the accounts may vary due to the prior year auditor grouping accounts differently than the County grouped them in current year.

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

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Program revenues:		
Charges for service	\$ 7,715,902	\$ 5,322,567
Operating grants and contributions	5,600,737	5,765,015
Capital grants and contributions	130,112	627,040
General revenues:		
Property taxes, levied for general purposes	8,509,632	8,529,779
Gross receipts taxes	17,380,096	17,474,421
Gasoline and motor vehicle	1,589,522	952,047
Other	1,504,046	964,741
Payments in lieu of taxes	985,362	883,741
Interest income	455,912	570,847
Miscellaneous income	625,241	512,709
Proceeds from sale of capital assets	-	449,124
Loss on disposal of capital assets	-	(107,891)
Net increase (decrease) in the fair value of investments	82,504	263,187
	<u>44,579,066</u>	<u>42,207,327</u>
Program expenses:		
General government	\$ 10,788,089	\$ 10,578,779
Public safety	20,203,939	17,126,320
Public works	5,460,371	5,808,348
Health and welfare	4,007,703	3,058,016
Interest on long-term debt	679,429	620,676
	<u>41,139,531</u>	<u>37,192,139</u>
Special item- write off of accounts receivable	-	(1,000,000)
Change in net position	<u>3,439,535</u>	<u>4,015,188</u>
Net position - beginning	108,230,467	116,693,067
Net position- restatement	-	(12,477,788)
Net position - as restated	<u>108,230,467</u>	<u>104,215,279</u>
Net position - ending	<u>\$ 111,670,002</u>	<u>\$ 108,230,467</u>

STATE OF NEW MEXICO
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Financial Analysis of the Government's Funds

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

The focus of McKinley County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing McKinley County's financing requirements. In particular, *unrestricted 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 McKinley County's governmental funds reported combined ending fund balances of \$65,128,089, an increase of \$4,438,935 in comparison with the prior year. Approximately 2 percent of this total amount, \$1,038,879, constitutes *unassigned fund balance*, which is available for spending at the government's discretion, and 98 percent of this total amount, \$64,089,210 is *restricted or committed for budgeted items in the major and non-major special revenue funds*.

The general fund is the chief operating fund of McKinley County. At the end of the current fiscal year, *unassigned* fund balance of the general fund was \$1,039,374, restricted or *committed for the minimum fund balance* was \$2,653,674 while total fund balance was \$23,389,374. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 10 percent of total general fund expenditures, while total fund balance represents 220 percent of that same amount. Fund balance of McKinley County's general fund increased by \$3,479,974 during the current fiscal year. The increase is due to an increase in the collection of gross receipts taxes and a decrease in general fund expenditures.

The Corrections Fund has total fund balance of \$1,003,341. At the end of the current fiscal year, *unassigned* fund balance of the Corrections Fund was \$0. The net decrease in fund balance during the current year in the Corrections fund was (\$714,450). This decrease is due to loss of revenue from outside contracts at the Adult Detention Center in the amount of \$1,500,000.

The Indigent Health Care Fund has a total fund balance of \$4,298,516. At the end of the current fiscal year, *unassigned* fund balance of the Indigent Health Care Fund was \$0. The net increase in fund balance during the current year in the Indigent Health Care Fund was \$1,182,660. This increase is due primarily to the change of the calculation method under the Safety Net Care Pool calculation method and the amount of people that qualify as indigent under the new healthcare reform, therefore decreasing the amount the County pays to local hospitals for indigent care.

The Adult Detention Center Fund has total fund balance of \$661,683. At the end of the current fiscal year, *unassigned* fund balance of the Adult Detention Center Fund was \$0. The net increase in fund balance during the current year in the Adult Detention fund was \$2,178,076. This increase is due to loss of revenue from outside contracts in the amount of \$1,500,000, therefore increasing the cost per local prisoner. There was also a decrease in expenses by \$650,000.

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, McKinley 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 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

The total variation in budgeted expenditures from the original and final budgets in the general fund was \$36,550. The increase was mainly due to the difference of budgeted expense transferred from open purchase orders at the end of fiscal year 2015. Actual expenditures in the general fund were lower than final budgeted expenditures by \$1,697,344.

The following table examines the summary budget performance of the major and aggregate non-major funds for the fiscal year ending June 30, 2016. Detail budget performance is reported in the budgetary comparison statements for each major fund and the statements of revenues and expenditures budget and actual for the non-major funds.

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Fund Budget Performance

	<u>Final Budget</u>	<u>Actual on Cash (Budgetary) Basis</u>	<u>Favorable (Unfavorable) Variance</u>
General Fund	\$ 12,678,475	\$ 10,981,131	\$ 1,697,344
Corrections Fund	3,260,262	3,119,740	140,522
Indigent Health Care Fund	2,432,200	1,906,429	525,771
Adult Dentetion Center Fund	3,690,152	3,495,097	195,055
Other Governmental Funds	39,015,269	23,035,096	15,980,173
Total for Governmental Funds	\$ 61,076,358	\$ 42,537,493	\$ 18,538,865

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 budgetary comparison statements for each major fund and the statements of revenues and expenditures budget and actual for the non-major funds

Capital Asset and Debt Administration

Capital Assets

McKinley County's investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$73,776,060 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, equipment, infrastructure, and other improvements. The table below shows the summarized capital assets of McKinley County as of June 30, 2016 and June 30, 2015.

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Property, plant and equipment		
Land	\$ 3,788,082	\$ 3,788,082
Constuction in progress	248,850	178,001
Infrastructure	27,766,389	27,766,389
Land improvements	4,076,499	4,080,323
Buildings and improvements	70,365,149	70,034,841
Vehicles and rolling stock	25,755,790	23,019,136
Machinery, equipment, & Other	7,654,185	6,520,821
Total property, plant and equipment	139,654,944	135,387,593
Less: accumulated depreciation	(65,878,884)	(62,647,725)
Total property, plant and equipment, net of accumulated depreciation	\$ 73,776,060	\$ 72,739,868

The County recognized \$4,062,401 in depreciation expense during the year. Additional information on McKinley County's capital assets can be found in the notes to the financial statements.

The County had several commitments to construction companies at June 30, 2016. Additional information on McKinley County's commitments can be found in Note 13 of the financial statements.

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

Long-term debt

At June 30, 2016, McKinley County had total gross receipt revenue bonds outstanding of \$15,250,000, which is secured by pledged gross receipts tax revenues. McKinley County also has post-closure debt of \$605,000, which is restricted cash in the EGRT fund.

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Gross Receipts Revenue Bonds	\$ 15,250,000	\$ 16,025,000
Landfill Closure/Post/Closure Costs	605,000	660,000
Compensated Absences	<u>764,517</u>	<u>788,622</u>
 Total outstanding debt	 <u>\$ 16,619,517</u>	 <u>\$ 17,473,622</u>

Additional information on McKinley County's long-term debt can be found in the notes to 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 McKinley County's budget for the 2016 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund decreased to \$1,039,374. It is intended that the use of this available fund balance will avoid the need to raise taxes or charges during the 2017 fiscal year.

Request for Information

This financial report is designed to provide a general overview of McKinley 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, McKinley County, New Mexico.

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

McKinley County

Statement of Net Position

June 30, 2016

	Governmental Activities
Assets	
Current assets	
Cash and cash equivalents	\$ 28,039,364
Investments	33,513,532
Receivables:	
Property taxes	999,271
Other taxes	2,543,845
Other receivables	2,937,838
Total current assets	<u>68,033,850</u>
Noncurrent assets	
Restricted cash and cash equivalents	828,256
Bond underwriter discount (net of accumulated amortization of \$28,307)	61,130
Capital assets	139,654,944
Less: accumulated depreciation	<u>(65,878,884)</u>
Total noncurrent assets	<u>74,665,446</u>
Total assets	<u>142,699,296</u>
Deferred outflows of resources	
Employer contributions subsequent to the measurement date	1,129,618
Changes in proportion	698,143
Difference between expected and actuarial experience	<u>247,331</u>
Total deferred outflows of resources	<u>2,075,092</u>
<i>Total assets and deferred outflows of resources</i>	<u><u>\$ 144,774,388</u></u>

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

	Governmental Activities
Liabilities	
Current liabilities	
Accounts payable	\$ 771,247
Accrued payroll	707,323
Accrued interest	53,251
Current portion of accrued compensated absences	495,531
Current portion of landfill closure and post closure costs	55,000
Current portion of bonds payable	795,000
	<hr/>
Total current liabilities	2,877,352
	<hr/>
Noncurrent liabilities	
Accrued compensated absences	268,986
Landfill closure and post closure costs	550,000
Bond underwriter premium (net of accumulated amortization of \$68,029)	165,791
Bonds payable	14,455,000
Net pension liability	14,292,142
	<hr/>
Total noncurrent liabilities	29,731,919
	<hr/>
Total liabilities	32,609,271
	<hr/>
Deferred inflows of resources	
Changes in proportion	62,480
Changes of assumption	150,629
Difference between expected and actuarial experience	238,174
Net difference between projected and actual investment earnings on pension plan investments	43,832
	<hr/>
Total deferred inflows of resources	495,115
	<hr/>
Net position	
Net investment in capital assets	58,421,399
Restricted for:	
Debt service	1,483,048
Capital projects	9,240,403
Other purposes - special revenue	31,660,392
Unrestricted	10,864,760
	<hr/>
Total net position	111,670,002
	<hr/>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u><u>\$ 144,774,388</u></u>

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

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

Exhibit A-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
General government	\$ 10,788,089	\$ 5,761,859	\$ 605,591	\$ -	\$ (4,420,639)
Public safety	20,203,939	-	4,442,915	-	(15,761,024)
Public works	5,460,371	44,536	509,299	130,112	(4,776,424)
Health and welfare	4,007,703	1,909,507	42,932	-	(2,055,264)
Interest on long-term debt	679,429	-	-	-	(679,429)
<i>Total governmental activities</i>	<u>\$ 41,139,531</u>	<u>\$ 7,715,902</u>	<u>\$ 5,600,737</u>	<u>\$ 130,112</u>	<u>(27,692,780)</u>

General revenues:

Taxes:

Property	8,509,632
Gross receipts	17,380,096
Gasoline and motor vehicle	1,589,522
Liquor excise and other taxes	1,504,046
Payment in lieu of taxes	985,362
Investment income	455,912
Net increase in the fair value of investments	82,504
Miscellaneous income	625,241
Total general revenues	31,132,315
Change in net position	3,439,535
Net position - beginning	108,230,467
<i>Net position - ending</i>	<u>\$ 111,670,002</u>

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

STATE OF NEW MEXICO

McKinley County
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Corrections</u>	<u>Indigent Healthcare</u>
<i>Assets:</i>			
Cash and cash equivalents	\$ 3,673,854	\$ 863,381	\$ 359,032
Investments	19,006,609	-	3,497,630
Receivables:			
Property taxes	998,633	-	-
Other taxes	431,043	71,823	239,487
Other receivables	11,184	102,950	1,375,000
Due from other funds	29,040	-	-
<i>Total assets</i>	<u>\$ 24,150,363</u>	<u>\$ 1,038,154</u>	<u>\$ 5,471,149</u>
<i>Liabilities, deferred inflows, and fund balances:</i>			
<i>Liabilities:</i>			
Accounts payable	\$ 71,723	\$ 4,474	\$ 47,633
Accrued payroll	340,691	30,339	-
Due to other funds	-	-	-
<i>Total liabilities</i>	<u>412,414</u>	<u>34,813</u>	<u>47,633</u>
<i>Deferred inflows of resources:</i>			
Deferred inflows - grants	1,736	-	-
Deferred inflows - charges for service	-	-	1,125,000
Deferred inflows - property taxes	346,839	-	-
<i>Total deferred inflows of resources</i>	<u>348,575</u>	<u>-</u>	<u>1,125,000</u>
<i>Fund balances:</i>			
Restricted for:			
General county operations	-	-	-
Maintenance of roads	-	-	-
Fire departments	-	-	-
Adult detention center	1,500,000	-	-
Farm & Range	-	-	-
Public safety	-	-	-
Healthcare	-	-	4,298,516
Debt service expenditures	-	-	-
Minimum fund balance	3,300,000	-	-
Committed for:			
Corrections facility	-	1,003,341	-
County operations	9,000,000	-	-
Public safety	-	-	-
Series 2008 Bond	8,400,000	-	-
Capital projects expenditures	-	-	-
Senior center	150,000	-	-
Unassigned	1,039,374	-	-
<i>Total fund balances</i>	<u>23,389,374</u>	<u>1,003,341</u>	<u>4,298,516</u>
<i>Total liabilities, deferred inflows, and fund balances</i>	<u>\$ 24,150,363</u>	<u>\$ 1,038,154</u>	<u>\$ 5,471,149</u>

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

Adult Detention Center	Other Governmental Funds	Total
\$ 50,634	\$ 23,920,719	\$ 28,867,620
400,096	10,609,197	33,513,532
-	638	999,271
167,586	1,633,906	2,543,845
479,579	969,125	2,937,838
-	-	29,040
<u>\$ 1,097,895</u>	<u>\$ 37,133,585</u>	<u>\$ 68,891,146</u>
\$ 46,551	\$ 600,866	\$ 771,247
105,845	230,448	707,323
-	29,040	29,040
<u>152,396</u>	<u>860,354</u>	<u>1,507,610</u>
283,816	497,418	782,970
-	-	1,125,000
-	638	347,477
<u>283,816</u>	<u>498,056</u>	<u>2,255,447</u>
-	6,825,877	6,825,877
-	2,696,568	2,696,568
-	2,605,054	2,605,054
661,683	-	2,161,683
-	10,605	10,605
-	10,740,759	10,740,759
-	-	4,298,516
-	1,667,268	1,667,268
-	276,521	3,576,521
-	-	1,003,341
-	829,648	9,829,648
-	521,808	521,808
-	-	8,400,000
-	9,594,091	9,594,091
-	7,471	157,471
-	(495)	1,038,879
<u>661,683</u>	<u>35,775,175</u>	<u>65,128,089</u>
<u>\$ 1,097,895</u>	<u>\$ 37,133,585</u>	<u>\$ 68,891,146</u>

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

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STATE OF NEW MEXICO

McKinley County

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2016

Exhibit B-1

Page 2 of 2

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

Fund balances - total governmental funds	\$	65,128,089
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		73,776,060
Revenues not collected within sixty days after year end are considered "available" revenues and are considered to be "unavailable" revenues in the fund financial statements, but are considered revenue in the Statement of Activities:		
Delinquent property taxes		347,477
Charges for service		1,125,000
Grant revenues		782,970
Other noncurrent assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Bond underwriter discount		61,130
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in funds:		
Deferred outflows of resources related to employer contributions subsequent to the measurement date		1,129,618
Deferred outflows of resources related to changes in proportion		698,143
Deferred outflows of resources related to changes of assumption		55,904
Deferred outflows of resources related to difference between projected and actual experience		247,331
Deferred inflows of resources related to changes in proportion		(62,480)
Deferred inflows of resources related to change of assumptions		(206,533)
Deferred outflows of resources related to difference between projected and actual experience		(238,174)
Deferred inflows of resources related to net difference between projected and actual investment earnings on pension plan investments		(43,832)
Other liabilities are not due and payable with current financial resources and, therefore, are not reported in the funds:		
Accrued interest payable		(53,251)
Current portion of landfill closure and post closure costs		(55,000)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(14,455,000)
Accrued compensated absences		(268,986)
Bond underwriter premium		(165,791)
Current portion of accrued compensated absences not due and payable at year end		(495,531)
Current portion of bonds payable		(795,000)
Landfill closure and post closure costs		(550,000)
Net pension liability		(14,292,142)
<i>Net position - governmental activities</i>	\$	111,670,002

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

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

	<u>General Fund</u>	<u>Corrections</u>	<u>Indigent Healthcare</u>
<i>Revenues:</i>			
Taxes:			
Property	\$ 8,499,624	\$ -	\$ -
Gross receipts	3,799,406	496,707	2,428,796
Gasoline and motor vehicle taxes	377,494	-	-
Liquor excise and other taxes	11,334	-	-
Intergovernmental:			
Federal operating grants	-	-	-
State operating grants	655	-	-
State capital grants	-	-	-
Payment in lieu of taxes	985,362	-	-
Charges for services	272,320	812,712	1,500,000
Investment income	454,715	-	1,024
Net increase (decrease) in the fair value of investments	16,303	(1,250)	2,630
Miscellaneous	199,288	21	429
<i>Total revenues</i>	<u>14,616,501</u>	<u>1,308,190</u>	<u>3,932,879</u>
<i>Expenditures:</i>			
Current:			
General government	6,228,067	-	-
Public safety	4,113,735	3,117,640	-
Public works	-	-	-
Health and welfare	247,415	-	1,950,219
Capital outlay	25,477	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>10,614,694</u>	<u>3,117,640</u>	<u>1,950,219</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,001,807</u>	<u>(1,809,450)</u>	<u>1,982,660</u>
<i>Other financing sources (uses)</i>			
Transfers in	800,000	1,095,000	-
Transfers (out)	(1,321,833)	-	(800,000)
<i>Total other financing sources (uses)</i>	<u>(521,833)</u>	<u>1,095,000</u>	<u>(800,000)</u>
<i>Net change in fund balance</i>	3,479,974	(714,450)	1,182,660
<i>Fund balance - beginning of year</i>	<u>19,909,400</u>	<u>1,717,791</u>	<u>3,115,856</u>
<i>Fund balance - end of year</i>	<u>\$ 23,389,374</u>	<u>\$ 1,003,341</u>	<u>\$ 4,298,516</u>

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

Adult Detention Center	Other Governmental Funds	Total
\$ -	\$ -	\$ 8,499,624
1,158,983	10,645,467	18,529,359
-	1,102,544	1,480,038
-	1,492,712	1,504,046
-	724,084	724,084
-	5,139,217	5,139,872
-	130,112	130,112
-	-	985,362
4,458,886	1,253,564	8,297,482
-	173	455,912
96	64,725	82,504
14,188	417,948	631,874
<u>5,632,153</u>	<u>20,970,546</u>	<u>46,460,269</u>
-	3,088,768	9,316,835
3,454,077	6,946,230	17,631,682
-	4,422,490	4,422,490
-	1,644,396	3,842,030
-	5,342,981	5,368,458
-	775,000	775,000
-	664,839	664,839
<u>3,454,077</u>	<u>22,884,704</u>	<u>42,021,334</u>
<u>2,178,076</u>	<u>(1,914,158)</u>	<u>4,438,935</u>
-	6,984,050	8,879,050
-	(6,757,217)	(8,879,050)
-	226,833	-
2,178,076	(1,687,325)	4,438,935
(1,516,393)	37,462,500	60,689,154
<u>\$ 661,683</u>	<u>\$ 35,775,175</u>	<u>\$ 65,128,089</u>

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

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STATE OF NEW MEXICO

McKinley County

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$	4,438,935
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures		5,368,458
Depreciation expense		(4,062,401)
Loss on disposal of capital assets		(269,865)

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

Change in deferred inflows related to property taxes receivable		10,008
Change in deferred inflows related to grants receivable		(1,766,220)
Change in deferred inflows related to charges for service		(125,000)

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:

County pension contributions		1,129,618
Pension expense		(2,123,553)

Expenses in the Statement of Activities that do not consume current financial resources are not reported as expenditures in the funds:

Decrease in accrued compensated absences		24,145
Current year landfill post closure expenses		55,000

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

Increase in accrued interest payable		(22,866)
Amortization of bond premium		11,890
Amortization of bond discount		(3,614)
Principal payments on bonds		775,000

<i>Change in net position of governmental activities</i>	\$	3,439,535
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Exhibit C-1

McKinley County

General Fund

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

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ 8,376,116	\$ 8,376,116	\$ 7,928,418	\$ (447,698)
Gross receipts	3,210,000	3,210,000	3,605,337	395,337
Gasoline and motor vehicle	350,000	350,000	380,119	30,119
Other	10,000	10,000	11,202	1,202
Intergovernmental income:				
Federal operating grants	15,000	15,000	-	(15,000)
State operating grants	-	-	655	655
Payment in lieu of taxes	830,000	830,000	985,362	155,362
Charges for services	263,499	263,499	328,050	64,551
Investment income	400,000	400,000	454,715	54,715
Net increase (decrease) in the fair value of investments	-	-	16,303	16,303
Miscellaneous	234,000	234,000	206,076	(27,924)
<i>Total revenues</i>	<u>13,688,615</u>	<u>13,688,615</u>	<u>13,916,237</u>	<u>227,622</u>
<i>Expenditures:</i>				
Current:				
General government	7,446,889	7,461,808	6,252,767	1,209,041
Public safety	4,896,434	4,909,255	4,448,268	460,987
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	276,227	277,227	260,019	17,208
Capital outlay	22,375	30,185	20,077	10,108
<i>Total expenditures</i>	<u>12,641,925</u>	<u>12,678,475</u>	<u>10,981,131</u>	<u>1,697,344</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,046,690</u>	<u>1,010,140</u>	<u>2,935,106</u>	<u>1,924,966</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(234,857)	(198,307)	-	198,307
Proceeds from sale of equipment	10,000	10,000	-	(10,000)
Transfers in	-	-	800,000	800,000
Transfers (out)	(821,833)	(821,833)	(1,321,833)	(500,000)
<i>Total other financing sources (uses)</i>	<u>(1,046,690)</u>	<u>(1,010,140)</u>	<u>(521,833)</u>	<u>488,307</u>
<i>Net change in fund balance</i>	-	-	2,413,273	2,413,273
<i>Fund balance - beginning of year</i>	-	-	20,296,230	20,296,230
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,709,503</u>	<u>\$ 22,709,503</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 2,413,273
Adjustments to revenues for property tax and grant revenues				700,264
Adjustments to expenditures for insurance, materials, other charges, and payroll expenditures				366,437
<i>Net change in fund balance (GAAP)</i>				<u>\$ 3,479,974</u>

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

STATE OF NEW MEXICO

Exhibit C-2

McKinley County

Corrections Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	460,000	460,000	463,580	3,580
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	480,500	480,500	730,583	250,083
Net increase (decrease) in the fair value of investments	-	-	(1,250)	(1,250)
Miscellaneous	850	850	21	(829)
<i>Total revenues</i>	<u>941,350</u>	<u>941,350</u>	<u>1,192,934</u>	<u>251,584</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	2,599,933	3,260,262	3,119,740	140,522
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,599,933</u>	<u>3,260,262</u>	<u>3,119,740</u>	<u>140,522</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,658,583)</u>	<u>(2,318,912)</u>	<u>(1,926,806)</u>	<u>392,106</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,063,583	1,223,912	-	(1,223,912)
Transfers in	595,000	1,095,000	1,095,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,658,583</u>	<u>2,318,912</u>	<u>1,095,000</u>	<u>(1,223,912)</u>
<i>Net change in fund balance</i>	-	-	(831,806)	(831,806)
<i>Fund balance - beginning of year</i>	-	-	1,695,187	1,695,187
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 863,381</u>	<u>\$ 863,381</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (831,806)
Adjustments to revenues for gross receipts taxes and charges for service				115,256
Adjustments to expenditures for personnel services and repairs and maintenance				2,100
<i>Net change in fund balance (GAAP)</i>				<u>\$ (714,450)</u>

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

STATE OF NEW MEXICO

Exhibit C-3

McKinley County

Indigent Healthcare Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	2,275,000	2,275,000	2,318,355	43,355
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	500,000	1,300,000	1,625,000	325,000
Investment income	-	-	1,024	1,024
Net increase (decrease) in the fair value of investments	-	-	2,630	2,630
Miscellaneous	-	-	429	429
<i>Total revenues</i>	<u>2,775,000</u>	<u>3,575,000</u>	<u>3,947,438</u>	<u>372,438</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	2,432,200	2,432,200	1,906,429	525,771
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>2,432,200</u>	<u>2,432,200</u>	<u>1,906,429</u>	<u>525,771</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>342,800</u>	<u>1,142,800</u>	<u>2,041,009</u>	<u>898,209</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(342,800)	(1,142,800)	-	1,142,800
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	(800,000)	(800,000)
<i>Total other financing sources (uses)</i>	<u>(342,800)</u>	<u>(1,142,800)</u>	<u>(800,000)</u>	<u>342,800</u>
<i>Net change in fund balance</i>	-	-	1,241,009	1,241,009
<i>Fund balance - beginning of year</i>	-	-	2,615,653	2,615,653
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,856,662</u>	<u>\$ 3,856,662</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 1,241,009
Adjustments to revenues for gross receipt taxes and charges for services				(14,559)
Adjustments to expenditures for insurance, materials, other charges, and payroll expenditures				(43,790)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 1,182,660</u>

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

STATE OF NEW MEXICO

Exhibit C-4

McKinley County

Adult Detention Center Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,075,000	1,075,000	1,081,687	6,687
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental income:</i>				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	2,610,000	2,610,000	4,423,762	1,813,762
Investment income	-	-	96	96
Miscellaneous	7,650	7,650	19,103	11,453
<i>Total revenues</i>	<u>3,692,650</u>	<u>3,692,650</u>	<u>5,524,648</u>	<u>1,831,998</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	3,690,127	3,690,152	3,495,097	195,055
Public Works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>3,690,127</u>	<u>3,690,152</u>	<u>3,495,097</u>	<u>195,055</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,523</u>	<u>2,498</u>	<u>2,029,551</u>	<u>2,027,053</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(2,523)	(2,498)	-	2,498
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(2,523)</u>	<u>(2,498)</u>	<u>-</u>	<u>2,498</u>
<i>Net change in fund balance</i>	-	-	2,029,551	2,029,551
<i>Fund balance - beginning of year</i>	-	-	(1,578,821)	(1,578,821)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,730</u>	<u>\$ 450,730</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 2,029,551
Adjustments to revenues for gross receipts taxes and charges for service				107,505
Adjustments to expenditures for repairs and maintenance and supplies				41,020
<i>Net change in fund balance (GAAP)</i>				<u>\$ 2,178,076</u>

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

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

Exhibit D-1

<i>Assets</i>	
Cash	\$ 952,193
Property taxes receivable	<u>2,320,475</u>
<i>Total assets</i>	<u><u>\$ 3,272,668</u></u>
 <i>Liabilities</i>	
Due to other taxing entities	\$ 2,320,475
Deposits held in trust	<u>952,193</u>
<i>Total liabilities</i>	<u><u>\$ 3,272,668</u></u>

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

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

NOTE 1. Summary of Significant Accounting Policies

McKinley 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, low rent housing assistance, planning and zoning, property assessment, tax collection and general administrative services.

McKinley 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 McKinley County is presented to assist in the understanding of McKinley County's financial statements. The financial statements and notes are the representation of McKinley County's management who is responsible for their integrity and objectivity. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

During the year ended June 30, 2016, the County adopted GASB Statements No. 72, *Fair Value Measurement and Application*, a portion of No 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, No. 79, *Certain External Investment Pools and Pool Participants* and No. 82 *Pension Issues-an amendment of GASB Statement No. 67, No. 68, and No.73*. These five Statements are required to be implemented as of June 30, 2016, if applicable.

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

A. Financial Reporting Entity

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

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the County does not have any component units required to be reported under GASB Statements No. 14, as amended by Statements No. 39, and No. 61, and is not a component unit of any other 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*.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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 is reported in three parts – Net investment in capital assets; restricted net position; and unrestricted net position.

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

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

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

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

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

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of County facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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

Under the requirements of GASB Statement No. 34, the County is required to present certain 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 *Corrections Special Revenue Fund* is to for correction fees authorized by state statute (Section 66-8-116.3(a), NMSA, 1978 Compilation). Such revenues are used to supplement general funds for the care of prisoners.

The *Indigent Healthcare Special Revenue Fund* is 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 7-2OE-9, NMSA, 1978 Compilation and McKinley County Ordinance No. 07-88-032.9).

The *Adult Detention Center Fund* is the account for fiscal operation and reporting of the Gallup McKinley Detention Center. The administration is handled by the local Jail Authority Board. The fund was created by authority of state statute (see Section 7-2OE-9, NMSA, 1978 Compilation) and McKinley County Ordinance No. MAY-04-094.

Additionally, the government reports the following agency fund:

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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. Investments for the County are reported at fair value.

State statutes authorize the County to invest in Certificates of Deposit and Federal Home Loan investments.

Receivables and Payables: Interfund activity is reported as either 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.

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 1st 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.

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.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental 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. McKinley County was a phase II government for purposes of implementing GASB Statement No. 34. Therefore, the County was required to report its major general infrastructure assets retroactively to June 30, 1980. 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.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

<u>Assets</u>	<u>Years</u>
Infrastructure	40
Land improvements	20
Buildings and improvements	45
Vehicles and rolling stock	5-20
Machinery, equipment & other	5-20

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

Deferred Inflows of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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 liability for deferred inflows of resources. The County has two types of items that 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 - grants, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available. The County has recorded \$347,477 related to property taxes, \$1,125,000 related to charges for service, and \$782,970 related to grants considered "unavailable." In addition, the County has four types of items present on the Statement of Net Position which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, these items, changes in proportion in the amount of \$62,480, changes of assumption in the amount of \$150,629, difference between expected and actuarial experience in the amount of \$238,174 and net difference between projected and actual investment earnings on pension plan investments in the amount of \$43,832, are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred Outflows of Resources: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The County has three types of items that qualify for reporting in this category. Accordingly, these items, employer contributions subsequent to the measurement date in the amount of \$1,129,618, changes in proportion in the amount of \$698,143, and difference between expected and actual experience in the amount of \$247,331 are reported in the Statement of Net Position. These amounts are deferred and will be recognized as pension expense in the period that the amounts are reported as outflows of resources.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Compensated Absences: Qualified employees are entitled to earn annual leave according to a graduated leave schedule of ten days to twenty days per year, depending on length of service. Employees may accumulate up to 240 hours (thirty days) of annual leave and carry that leave forward from calendar year to calendar year. Upon termination, employees will be paid for up to 240 hours (thirty days) of accrued annual leave.

Qualified employees are entitled to earn sick leave at a rate of thirteen days per year. Sick leave can be carried over from year to year for an unlimited amount of hours. Upon termination, retiring employees who have been with the County at least 25 years, will be paid for up to 120 hours (fifteen days) of accrued sick leave.

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 Statement No. 34 was implemented, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. For fund financial reporting, bond premiums, discounts as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as 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 non-spendable fund balance, this portion of the fund is not in spendable form or is legally required to remain intact.

For restricted fund balance, this classification includes amounts that are restricted to a specific purpose. Fund balances are restricted when constraints placed on the use of resources are either: (a) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; (b) Enabling legislation, as the term is used authorizes the County to assess, levy, charge or otherwise mandate payment of resources and includes a *legally enforceable* requirement that those resources be used only for the specific purposes stipulated in the legislation.

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

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

Nonspendable Fund Balance: At June 30, 2016, the County did not have any nonspendable fund balance categorized in the governmental funds balance sheet as detailed on pages 24-25.

Restricted and Committed Fund Balance: At June 30, 2016, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$32,915,583 for various County operations as restricted by enabling legislation. Also, the County restricted \$1,667,268 for servicing debt and the County has presented committed fund balance in the amount of \$29,506,359. The details of these fund balance items are located on the governmental funds balance sheet as detailed on pages 24-25.

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 expenditures. At June 30, 2016, the County maintains \$1,038,879 as minimum fund balances.

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

- a. Net investment in capital assets: This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position: Net Position is reported as restricted when constraints placed on net position use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for "special revenue, debt service, and capital projects" are described on pages 41 and 82-84.
- c. Unrestricted Net Position: Net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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, accrued compensated absences, net pension liability and related deferred inflow and outflows of resources, and the landfill liability.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ 1,046,690	\$ 1,010,140
Corrections Special Revenue Fund	\$ (1,658,583)	\$ (2,318,912)
Indigent Healthcare Special Revenue Fund	\$ 342,800	\$ 1,142,800
Adult Detention Center Special Revenue Fund	\$ 2,523	\$ 2,498
Other Governmental Funds	\$ (8,024,170)	\$ (10,304,583)

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.

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

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

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

NOTE 3. Deposits and Investments

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

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

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

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2016, \$17,819,938 of the County's bank balance of \$18,919,156 was exposed to custodial credit risk. Although the \$17,819,938 was uninsured, it was collateralized by collateral held by the pledging bank's trust department, not in the County's name. None of the County's deposits were uninsured and uncollateralized at June 30, 2016.

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

NOTE 3. Deposits and Investments (continued)

	<u>Pinnacle Bank</u>	<u>Washington Federal Bank</u>	<u>Wells Fargo Bank</u>
Amount of deposits	\$ 10,453,902	\$ 2,000,711	\$ 6,365,325
FDIC coverage	(500,000)	(250,000)	(250,000)
Total uninsured public funds	<u>9,953,902</u>	<u>1,750,711</u>	<u>6,115,325</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>9,953,902</u>	<u>1,750,711</u>	<u>6,115,325</u>
Uninsured and uncollateralized	<u>-</u>	<u>-</u>	<u>-</u>
Collateral requirement (50%)	4,976,951	875,356	3,057,663
Pledged securities	31,100,893	1,842,758	6,848,167
Over (under) collateralized	<u>\$ 26,123,942</u>	<u>\$ 967,402</u>	<u>\$ 3,790,504</u>
	<u>First Financial Credit Union</u>	<u>Total</u>	
Amount of deposits	\$ 99,218	\$ 18,919,156	
FDIC coverage	(99,218)	(1,099,218)	
Total uninsured public funds	<u>-</u>	<u>17,819,938</u>	
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>-</u>	<u>17,819,938</u>	
Uninsured and uncollateralized	<u>-</u>	<u>-</u>	
Collateral requirement (50%)	-	8,909,970	
Pledged securities	-	39,791,818	
Over (under) collateralized	<u>\$ -</u>	<u>\$ 30,881,848</u>	

At June 30, 2016 \$50,000 of NMFA monies were reported as cash at Exhibit A-1. These funds were fully insured by the full faith and credit of the U.S. Government.

At June 30, 2016, the County also has \$4,031,875 of cash held in brokerage accounts that are not required to have pledged collateral.

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

NOTE 3. Deposits and Investments (continued)

The collateral pledged is listed on Schedule III of this report. The types of collateral are limited to direct obligations of the United States Government and all bonds issued by any agency, County, 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. The LGIP is considered cash and cash equivalents on Exhibit A-1.

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

<u>Investment Type</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
Federal Home Loan	<6 years	\$ 27,015,270	Aaa*
U.S Treasury MM Mutual Funds	<1 years	1,494,002	AAA
FHLMC	<6 years	4,004,020	Aaa
FNMA	<6 years	1,000,240	Aaa
New MexiGrow LGIP	77 day-WAM (F) and 44 day- WAM (R)	8,008,833	AAAm**
Total		<u>\$ 41,522,365</u>	

*Rating based on Moody's rating

**Based off Standard & Poor's rating

The investments are listed on Schedule IV of this report. At year end June 30, 2016, there was \$7,099,929 of certificates of deposits, classified as cash and cash equivalents at Exhibit B-1.

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 credit risk is when any one issuer is 5% or more of the investment portfolio of the County. The investments in the Federal Home Loan 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 utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Agency Funds are all in multiple accounts.

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

NOTE 3. Deposits and Investments (continued)

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 County 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.

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 \$1,494,002 in United States Treasury Notes, \$27,015,270 in Federal Home Loan Banks, \$1,000,240 in FNMA, \$4,004,020 in FHLMC at year end which required fair value disclosure.

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

Total	Level 1	Level 2	Level 3
\$ 33,513,532	\$ 1,494,002	\$ 32,019,530	\$ -

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

NOTE 3. Deposits and Investments (continued)

Reconciliation of Cash and Cash Equivalents

Cash and cash equivalents per Exhibit A-1	\$ 28,039,364
Investments per Exhibit A-1	33,513,532
Restricted cash and cash equivalents per Exhibit A-1	828,256
Cash - Statement of Fiduciary Assets and Liabilities per Exhibit D-1	952,193
	<hr/>
Total cash, cash equivalents, and investments	63,333,345
Add: outstanding checks and deposits in transit	1,191,501
Less: Investments that are not certificates of deposit	(33,513,532)
Less: Cash held in brokerage accounts	(4,031,875)
Less: State Treasurer's pool (LGIP Fund)	(8,008,833)
Less: NMFA cash	(50,000)
Less: petty cash	(1,450)
	<hr/>
Bank balance of deposits	<u>\$ 18,919,156</u>

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

NOTE 4. Receivables

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

	<u>General Fund</u>	<u>Corrections</u>	<u>Indigent Healthcare</u>
Property taxes	\$ 998,633	\$ -	\$ -
Other taxes:			
Gross receipts taxes	399,145	71,823	239,487
Gasoline and oil taxes	31,898	-	-
Other receivables:			
Charges for services	-	102,950	1,375,000
Intergovernmental:			
State	-	-	-
Federal	-	-	-
Miscellaneous	11,184	-	-
Totals	<u>\$ 1,440,860</u>	<u>\$ 174,773</u>	<u>\$ 1,614,487</u>

	<u>Adult Detention</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property taxes	\$ -	\$ 638	\$ 999,271
Other taxes:			
Gross receipts taxes	167,586	1,384,714	2,262,755
Gasoline and oil taxes	-	249,192	281,090
Other receivables:			
Charges for services	479,579	12,007	1,969,536
Intergovernmental:			
State	-	267,289	267,289
Federal	-	592,796	592,796
Miscellaneous	-	97,033	108,217
Totals	<u>\$ 647,165</u>	<u>\$ 2,603,669</u>	<u>\$ 6,480,954</u>

The above receivables are deemed 100% collectible.

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$347,477 that were not collected within the period of availability have been reclassified as deferred inflow in the governmental fund financial statements. Also, grant revenues in the amount of \$782,970 and charges for service in the amount of \$1,125,000 that were not received within the period of availability, and as required by GASB 65, were classified as deferred inflows.

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

NOTE 5. Interfund Receivables, Payables, and Transfers

The County's fund financial statements include inter-fund receivables and payables to enable the funds to operate until grant monies are received. Interfund receivables as of June 30, 2016 consisted of the following:

Due to	Due from	Amount
Sheriff's Grant	General Fund	<u>\$ 29,040</u>

All funds that maintain interfund balances will be expected to be paid back within one year.

Transfers In	Transfers Out	Amount
General Fund	Indigent Healthcare	\$ 800,000
Corrections	General Fund	1,095,000
Road Fund	Capital Projects	2,153,214
Road Fund	Rural Public Safety	207,537
Emergency Medical Services	Emergency Communication	585,000
E-911 Metro Dispatch	Emergency Communication	2,060,733
Farm & Range	General Fund	7,600
Emergency Communication	E-911 Metro Dispatch	15,733
Senior Citizens Centers	General Fund	35,000
Narcotic Drug Control and K-9 Unit	Rural Public Safety	30,000
Emergency Management	Rural Public Safety	402,000
Emergency Management	General Fund	120,000
JSACC Center	General Fund	64,233
Rural Public Safety	Emergency Management	1,300,000
CDBG Gamereco Water System	Environment GRT	3,000
		<u>\$ 8,879,050</u>

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

NOTE 6. Capital Assets

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

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Capital assets not being depreciated:				
Land	\$ 3,788,082	\$ -	\$ -	\$ 3,788,082
Construction in progress	178,001	194,751	123,902	248,850
	<u>3,966,083</u>	<u>194,751</u>	<u>123,902</u>	<u>4,036,932</u>
Total capital assets not being depreciated				
	<u>3,966,083</u>	<u>194,751</u>	<u>123,902</u>	<u>4,036,932</u>
Capital assets being depreciated:				
Infrastructure	27,766,389	-	-	27,766,389
Land improvements	4,080,323	-	3,824	4,076,499
Building and improvements	70,034,841	619,436	289,128	70,365,149
Vehicles and rolling stock	23,019,136	3,446,968	710,314	25,755,790
Machinery, equipment & other	6,520,821	1,231,205	97,841	7,654,185
	<u>131,421,510</u>	<u>5,297,609</u>	<u>1,101,107</u>	<u>135,618,012</u>
Total capital assets being depreciated				
	<u>131,421,510</u>	<u>5,297,609</u>	<u>1,101,107</u>	<u>135,618,012</u>
Less accumulated depreciation:				
Infrastructure	20,481,315	753,571	-	21,234,886
Land improvements	3,405,945	37,906	3,748	3,440,103
Building and improvements	18,460,448	1,604,334	168,847	19,895,935
Vehicles and rolling stock	15,883,834	1,258,894	587,559	16,555,169
Machinery, equipment & other	4,416,183	407,696	71,088	4,752,791
	<u>62,647,725</u>	<u>4,062,401</u>	<u>831,242</u>	<u>65,878,884</u>
Total accumulated depreciation				
	<u>62,647,725</u>	<u>4,062,401</u>	<u>831,242</u>	<u>65,878,884</u>
Total capital assets, net of depreciation				
	<u>\$ 72,739,868</u>	<u>\$ 1,429,959</u>	<u>\$ 393,767</u>	<u>\$ 73,776,060</u>

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

General Government	\$ 966,259
Public Safety	2,056,533
Public Works	918,024
Health and Welfare	121,585
	<u>\$ 4,062,401</u>

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

NOTE 7. Long-term Debt

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

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
Gross Receipts Revenue Bonds	\$ 16,025,000	\$ -	\$ 775,000	\$ 15,250,000	\$ 795,000
Landfill Closure/Post Closure Costs	660,000	-	55,000	605,000	55,000
Compensated Absences	788,662	471,386	495,531	764,517	495,531
Total long-term debt	<u>\$ 17,473,662</u>	<u>\$ 471,386</u>	<u>\$ 1,325,531</u>	<u>\$ 16,619,517</u>	<u>\$ 1,345,531</u>

Gross Receipts Revenue Bonds

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

Series 2008, GRT Improvement Revenue Bonds	
Original issue	\$ 10,350,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2033
Interest rates	3.500-5.000%
Series 2010, GRT Improvement Revenue Bonds	
Original issue	\$ 6,445,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2030
Interest rates	2.000-4.000%
Series 2014, GRT Improvement Revenue Bonds	
Original issue	\$ 2,470,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2026
Interest rates	2.700%

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

NOTE 7. Long-term Debt (continued)

Gross Receipts Revenue Bonds (continued)

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ 795,000	\$ 639,009	\$ 1,434,009
2018	825,000	604,344	1,429,344
2019	860,000	573,809	1,433,809
2020	885,000	550,165	1,435,165
2021	920,000	516,108	1,436,108
2022-2026	5,160,000	2,017,903	7,177,903
2027-2031	4,505,000	921,850	5,426,850
2032-2033	1,300,000	98,250	1,398,250
	<u>\$ 15,250,000</u>	<u>\$ 5,921,438</u>	<u>\$ 21,171,438</u>

Landfill Closure and Post-Closure Care Costs

State and Federal laws and regulations require that McKinley County place final covers on its landfills when it is closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. McKinley County had landfill sites at Smith Lake and Gamercoco, which were closed by June 30, 1997.

The estimated total cost of the landfill closure and post closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of June 30, 1997. An updated estimate (the fourth estimate) was performed in 2014. The County spent \$31,456 related to landfill postclosure for year ended June 30, 2016.

Compensated Absences – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2016, compensated absences decreased \$24,145 over the prior year accrual. In prior years, the general fund was typically used to liquidate such liabilities.

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

NOTE 8. Risk Management

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

McKinley 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 or County deductible.

NOTE 9. Other Required Individual Fund Disclosures

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

A. Funds that had a deficit fund balance at June 30, 2016 were as follows:

Law Enforcement Protection	\$ <u>495</u>
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B. There were no funds that maintained expenditures in excess of the budget for the year ended June 30, 2016.

C. There were no funds that had designated cash appropriations in excess of available budget at June 30, 2016.

NOTE 10. Pension Plan - Public Employees Retirement Association

Summary of Significant Accounting Policies

General Information about the Pension Plan

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

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

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

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

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

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2016 available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf.

Contributions. The contribution requirements of defined benefit plan members and the McKinley County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY15 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2015.pdf. The PERA coverage options that apply to McKinley County are: Municipal General Division and Municipal Police Division. Statutorily required contributions to the pension plan from McKinley County were \$2,096,728 and employer paid member benefits that were “picked up” by the employer were \$967,110 for the year ended June 30, 2016.

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

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

Employer Pickup, during March 2016, Governmental Accounting Standards Board (GASB) issued Statement No. 82, Pension Issues, which clarifies that payments made by an employer to satisfy member contribution requirements should be classified as member contributions for purposes of GASB Statement No. 67. For purposes of applying GASBS 68 for fiscal year ending June 30, 2016 amounts paid by the County to satisfy member contributions requirements in the previous year totaling \$959,712 have been reclassified as pension expense for fiscal year ending June 30, 2016. The amount had been previously classified as a deferred outflow. This amount is not included in pension expense in PERA’s Schedule of Employer Pension Amounts for the year ended June 30, 2015.

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

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

Reallocation of Deferred Amounts Due to Changes in proportion, in fiscal year 2015 the beginning deferred inflows and outflows were reclassified due to the employer's change in proportion for fiscal year 2015. The total reallocation of deferred inflows and outflows increased pension expense by \$321,169 for fiscal year ending June 30, 2016. This amount is not included in pension expense in PERA's Schedule of Employer Pension Amounts for the year ended June 30, 2015.

For PERA Fund Municipal General Division, at June 30, 2016, McKinley County reported a liability of \$10,752,561 for its proportionate share of the net pension liability. At June 30, 2016, McKinley County's proportion was 1.0546 percent, which was an increase of 0.1172 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, McKinley County recognized PERA Fund Municipal General Division pension expense of \$829,430. At June 30, 2016, McKinley County reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 4,189
Net difference between projected and actual investment earnings on pension plan investments	-	34,014
Differences between expected and actuarial experience	-	238,174
Change in proportion	698,143	-
McKinley County's contributions subsequent to the measurement date	381,082	-
Total	\$ 1,079,225	\$ 276,377

\$381,082 reported as deferred outflows of resources related to pensions resulting from McKinley County's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ (68,650)
2018	(68,650)
2019	(68,650)
2020	627,716
2021	-
Thereafter	-

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

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

For PERA Fund Municipal Police Division, at June 30, 2016, McKinley County reported a liability of \$3,539,581 for its proportionate share of the net pension liability. At June 30, 2015, McKinley County's proportion was 0.7361 percent, which was a decrease of .0251 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, McKinley County recognized PERA Fund Municipal Police Division pension expense of \$1,294,122. At June 30, 2016, McKinley County reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 146,440
Net difference between projected and actual investment earnings on pension plan investments	-	9,818
Differences between expected and actuarial experience	247,331	
Changes in proportion	-	62,480
McKinley County's contributions subsequent to the measurement date	748,536	-
Total	\$ 995,867	\$ 218,738

\$748,536 reported as deferred outflows of resources related to pensions resulting from McKinley County's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ (49,482)
2018	(49,482)
2019	(49,482)
2020	177,039
2021	-
Thereafter	-

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2014 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the PERA's Board of Trustees for use in the June 30, 2014, actuarial valuation.

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

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

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

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

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

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

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

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
PERA Fund Municipal General Division			
McKinley County's proportionate share of the net pension liability	\$ 18,307,344	\$ 10,752,561	\$ 4,471,272
PERA Fund Municipal Police Division			
McKinley County's proportionate share of the net pension liability	\$ 5,845,405	\$ 3,539,581	\$ 1,648,025

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

Payables to the pension plan. The County had payables to PERA totaling \$161,635 as of June 30, 2016.

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description. McKinley 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.

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

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan (continued)

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 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, 2015, 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.

McKinley County's contributions to the RHCA for the years ended June 30, 2016, 2015, and 2014 were \$219,161, \$216,949, and \$190,595, respectively, which equal the required contributions for each year.

NOTE 12. 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. The maximum exposure of the County is not estimable as of June 30, 2016 in the remaining cases.

Contingent Debt Obligation

McKinley County entered into a joint powers agreement with the Cities of Gallup and Grants, the Village of Milan and the County of Cibola, to form the Northwest New Mexico Regional Solid Waste Disposal Authority on November 1, 1996.

Ordinance Nov-02-091 was approved on December 12, 2002 by the County Commissioners to authorize the execution and delivery of loan agreement by and between the County, as well as other member entities, and the New Mexico Finance Authority. The loan agreement called for the issuance of debt to consolidate and refund (or pay-off) prior loans. The amount of the obligation authorized by the Ordinance Nov-02-091 was \$5,600,000.

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

NOTE 12. Contingent Liabilities (continued)

This debt obligation is payable solely from the net revenues of the Northwest New Mexico Regional Solid Waste Disposal Authority, and if needed, Environmental Gross Receipts Tax (EGRT) Revenues from the aforementioned Cities, Counties, and Village including McKinley County. Effective July 30, 2005, an agreement was entered into by the member entities to change the percentage of contribution of monthly EGRT collected from 25% to 50% for operation expenses and equipment replacement.

NOTE 13. Commitments

The County has various construction and purchase commitments (Road & Fire department equipment) totaling approximately \$6,920,619 as of June 30, 2016. The funding to cover the various commitments are grant funding, bond and/or note proceeds, including bonds, grants, and cash reserves.

NOTE 14. Restricted Components of Net Position

The government-wide statement of net position reports \$42,383,843 of restricted net position, all of which is restricted by enabling legislation and other methods. For descriptions of the related enabling legislation for special revenue, debt service and capital project funds, see pages 41, and 82-84.

NOTE 15. Subsequent Events

In 2013, the County entered into a JPA with the City of Gallup to construct the Navajo-Gallup Water Pipeline. The County has agreed to match the City of Gallup's construction monies for the pipeline up to \$1,000,000 per year for the next 34 years.

The County is in the process of defeasing the outstanding Series 2008 Bonds using General Fund Reserves totaling \$8,772,500, of which principal is \$8,030,000 and interest is \$734,500.

The County is also looking into a future construction project which entails the expansion of the new courthouse. Estimated cost is undetermined at this time.

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

NOTE 16. Federal and State Grants

In the normal course of operations, the County receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. The County expects any liability for reimbursement which may arise as a result of these audits to be immaterial.

NOTE 17. Pledged Revenues

The County has pledged revenues for their general obligation bonds pursuant to Section 7-1-6.13, NMSA 1978, which capital outlay gross receipts tax is imposed on all persons engaging in business in the County pursuant to Ordinance No. AUG-02-084, and as authorized by Section 7-20E-21, NMSA 1978, and the deduction referred to in Section 7-20E-7, NMSA, one-fourth of one percent of the gross receipts received.

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McKinley County
Notes to the Financial Statements
June 30, 2016

NOTE 18. Subsequent Pronouncements

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

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

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

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

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

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

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

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
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NOTE 19. Joint Powers Agreements and Memos of Understanding

Type	Name of Organization	Description	Party/Audit Responsible	Contract Amount	Current Year Paid	Date
JPA	City of Gallup	Operation of the Local Liquor Excise Tax Committee and the application and approval of programs using Liquor Excise Tax moneys.	Each participant	N/A	N/A	7/1/14-6/30/16
MOU	Gallup Express Transit (Community Pantry)	To support general operational cost to sustain regional efforts to provide public transportation service	Each participant	20,000	20,000	7/1/15-6/30/16
MOU	The Department of the Army	Drainage Management Plan	Each participant	280,000	280,000	8/21/14-no ending
MOU	McKinley County Treasurers Dept.	Preliminary Treasurer's report can be and should be submitted to Finance by the 10th of each month.	Each Participant	N/A	N/A	8/1/04-Continues
MOA	Navajo Nation/Department of Fire & Rescue Services	In time of emergency furnish aid to each other in the nature of fire apparatus, equipment, and personnel needed to assist said emergency or necessity in a timely manner consistent with the provisions of this agreement.	Each Participant	N/A	N/A	12/1/11-Until terminated by either party 11/20/13-
MOA	City of Gallup Fire Department	Purchase Fire truck for City to use VIN # 1GTJK33112F123309 a 2002 GMC Pickup 1/2tom	Each Participant	N/A	N/A	Upon Termination of Vehicle 11/20/13-
MOA	City of Gallup Fire Department	Purchase 2003 Yamaho All Terrain Vehicle for City to use VIN# 5Y4AJ06Y33A002460	Each Participant	N/A	N/A	Upon Termination of Vehicle 11/20/13-
MOA	City of Gallup Fire Department	Purchased 2006 Ford Truck Dually for City to use VIN# 1FDAW57P56EC86289	Each Participant	N/A	N/A	Upon Termination of Vehicle 11/20/13-
MOA	City of Gallup Fire Department	Purchased 1997 FreightLiner Truck Pumper VIN # 1FV3EFBCXVH674033	Each Participant	N/A	N/A	Upon Termination of Vehicle

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

NOTE 19. Joint Powers Agreements and Memos of Understanding (continued)

Type	Name of Organization	Description	Party/Audit Responsible	Contract Amount	Current Year Paid	Date
MOA	City of Gallup Fire Department	Purchased 1993 Pierce Truck-Pumper VIN# 4P1CT02D0PA000564	Each participant	N/A	N/A	11/20/13- Upon Termination of Vehicle
MOA	City of Gallup Fire Department	Purchased 2007 Polaris All Terrain Vehicle for City to use VIN # XARF68A37DO46339	Each participant	N/A	N/A	11/20/13- Upon Termination of Vehicle
MOA	Gallup Fire Department	Coordinating and Cooperating in combating Fire and Handling other emergencies in an orderly Efficient and Effective manner	Each Participant	N/A	N/A	30 Days prior to terminating
MOA	San Juan County	Coordinating and cooperating in combating fire and handling other emergencies in an orderly, efficient and effective manner	Each Participant	N/A	N/A	10/1/14- 9/30/16
MOU	Magistrate Court	Operating a Pre and Post Trial Compliance Program	Each Participant	N/A	N/A	7/1/15- 6/30/16
MOU	McKinley County DWI & Compliance	Monitor Defendants compliance with the conditions of probation imposed by District or magistrate court.	Each Participant	267,773	267,773	7/1/15- 6/30/16
MOA	NM Energy, Mineral & Natural Res Department	Planning, administering, reviewing, providing technical assistance, maintaining records and monitoring state and federal energy conservation and renewable energy technology programs	Each Participant	N/A	N/A	3/16/15- 3/16/17
MOU	New Mexico Tourism Department	Ensure the proper Administration of the Ceremonial and to establish the roles of NMTD and the County	Each Participant	1,000,000	1,000,000	7/1/15- 6/30/16
MOU	Humane Society	Financially support MCHSNM in their mission to operate animal Control Funding to support their general operational cost to sustain its regional efforts to provide support to the county	Each Participant	160,000	160,000	7/1/15- 6/30/16
MOU	McKinley County Search & Rescue	Law Enforcement Fre, and EMS	Each Participant	20,000	20,000	8/10/15- 6/30/16

STATE OF NEW MEXICO
 McKinley County
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 June 30, 2016

NOTE 19. Joint Powers Agreements and Memos of Understanding (continued)

Type	Name of Organization	Description	Party/Audit Responsible	Contract Amount	Current Year Paid	Date
MOU	The Community Pantry	Financially support the community Pantry in their mission to acquire, store and distribute nutritious food to children, the elderly and families in need	Each Participant	140,000	140,000	8/10/15-6/30/16
MOU	Red Rock Balloon Rally Association	Financially Support in their mission to continue a long standing event that has generated and will continue to generate economic opportunities, increase in tax revenue; and provides a recreational event and educational experiences to schools and citizens during the event to the residents throughout McKinley County	Each participant	5,000	5,000	8/10/15-6/30/16
MOU	New Life Ministries, Inc.	Fund General Education Development Program	Each Participant	15,000	15,000	8/10/15-6/30/16
MOU	Battered Families Services, Inc	Help families in the McKinley County Area	Each Participant	50,000	50,000	8/10/15-6/30/16
MOU	Gallup ARTS	To support Gallup Arts in their mission to provide Culture and Arts to the residents throughout McKinley County	Each Participant	3,000	3,000	7/1/15-6/30/16
MOU	Rural Bookmobile West	Provide the rural residents of NM with the books, magazines, music CD's videos and reference materials they hear, need and desire to read or use.	Each Participant	2,800	2,800	8/25/15-6/30/16
MOU	Community Area Resource Enterprise Inc	Financially support CARE 66's goals to build affordable housing in McKinley County	Each Participant	15,000	15,000	8/26/15-6/30/16
MOU	Big Brothers Big Sisters	Sustain regional efforts to serve City and County youth and their families, who suffer disadvantaged economic, social and family circumstances.	Each Participant	10,000	10,000	8/26/15-6/30/16
MOU	City of Gallup YCC	Fund YCC General Operating expenses incurred as administrative costs of the program	Each Participant	65,000	65,000	8/26/15-6/30/16
MOU	United States Department of Agriculture	Support local match for salaries, benefits, equipment, supplies, vehicles, fuels and other expenses for the local Wildlife Services Specialist.	Each Participant	13,000	13,000	6/30/2016
MOU	New Mexico State University	Financially support NMSU's general operations budget	Each Participant	75,077	75,077	6/30/2016

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
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NOTE 19. Joint Powers Agreements and Memos of Understanding (continued)

Type	Name of Organization	Description	Party/Audit Responsible	Contract Amount	Current Year Paid	Date
	Federal Emergency Management Agency					
	Integrated Public Alert and Warning System (IPAWS) Program	Enable information interoperability across emergency response organizations and systems as intended by the IPAWS	Each Participant	N/A	N/A	11/20/2018
MOA	Management Office Chief Manuelito	Provide Botvin Life Skills & Provide a	Each			10/1/15-
MOU	Middle School	School Wide Media Campaign	Participant	N/A	N/A	6/30/16
		Provide evidence based prevention services that include botvin Life Skill and project venture to the youth of McKinley county	Each			1/1/16-
MOU	McKinley County Juvenile Substance Abuse Crisis Center		Participant	11,500	11,500	6/30/16
		Financially support AGB in their mission to provide new trails and maintain existing trails throughout McKinley County	Each			
MOU	Adventure Gallup and Beyond		Participant	5,000	5,000	6/30/2016
	McKinley Soil & Water Conservation District	Financially support MSWCD in their mission to purchase agricultural supplies and or equipment	Each			
MOU			Participant	8,000	8,000	6/30/2016
		Fund general operating expenses incurred as a direct result of indigent housing repair projects within McKinley County	Each			
MOU	World Changers Gallup		Participant	5,000	5,000	6/30/2016
		Financially Support AGB in their mission to provide new trails and maintain existing trails throughout McKinley County	Each			
MOU	Adventure Gallup and Beyond		Participant	5,000	5,000	6/30/2016
	Dzil Ditol'ooi School of Empowerment	Use of two County Vehicles	Each			3/17/16-
MOU		Plan and develop an integrated transportation network of highways, roads, airports, railroads, and pipelines for the delivery of people, commerce, and goods within the Navajo Nation that is safe and in harmony with nature.	Participant	N/A	N/A	2/16/16-
	Navajo Nation Division of Transportation		Each			2/16/21
MOU	City of Gallup	Grounds Clean up for employment of youth	Participant	N/A	N/A	6/8/16-
		Fund JPSA General Operating expenses incurred as administrative costs of the program	Each			6/24/16
MOU	Junior Public Safety Academy		Participant	7,000	7,000	7/1/16-
		Botvin Life Skills and Project Venture to youth of McKinley County	Each			7/1/16-
MOU	JSACC/DWI		Participant	N/A	N/A	6/30/17

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NOTE 19. Joint Powers Agreements and Memos of Understanding (continued)

Type	Name of Organization	Description	Party/Audit Responsible	Contract Amount	Current Year Paid	Date
MOU	McKinley County Compliance Monitoring/Pretrial release program	DWI funding to monitor defendants compliance with the conditions of probation imposed by a district or magistrate court.	Each Participant	267,773	267,773	7/1/16-6/30/17
MOU	The Boys and Girls Club of Gallup	To sustain its regional efforts, the BGCG agree to serve to City and County Youth and families who suffer disadvantaged economic, social and family circumstances General operational cost to sustain its regional efforts to provide public	Each Participant	7,000	7,000	7/1/16-6/30/17
MOU	Gallup Express Transit - Community Pantry	transportation services for out community members	Each Participant	15,000	15,000	7/1/16-6/30/17
MOU	The Community Pantry	Acquire, store and distribute nutritious food to children, elderly and families in need	Each Participant	125,000	125,000	7/1/16-6/30/17
MOU	Battered Families Services	To help families in the McKinley County area	Each Participant	50,000	50,000	7/1/16-6/30/17
MOU	Gallup Community Service Center	Support GCSC in their services to indigent McKinley County community members with their payment of utility bills, medical bills, funeral expenses, etc.	Each Participant	25,000	25,000	7/1/16-6/30/17
MOU	New Mexico Tourism Department	To ensure the proper administration of the Ceremonial and to establish the roles of NMTD and the county with regard to the Ceremonial.	Each Participant	816,000	816,000	7/1/16-6/30/17
MOU	Native American New Life Ministries, Inc.	Financially support NANLM in their mission to provide the rural residents of New Mexico with a General Education Development program for residents to obtain their GED so that they can progress in the socioeconomic area of their communities.	Each Participant	12,000	12,000	7/1/16-6/30/17
MOU	Gallup ARTS	Financially support Gallup ARTS in their mission to provide Culture and Arts to the residents throughout McKinley county	Each Participant	3,000	3,000	7/1/16-6/30/17

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

NOTE 19. Joint Powers Agreements and Memos of Understanding (continued)

Type	Name of Organization	Description	Party/Audit Responsible	Contract Amount	Current Year Paid	Date
MOU	Red Rock Balloon Rally Association	Support in their mission to continue a long standing event that has generated and will continue to generate economic opportunities, increase in tax revenue; and provides a recreational event and educational experiences to schools and citizens during the event to the residents throughout McKinley County	Each Participant	3,000	3,000	7/1/16-6/30/17
MOU	Big Brothers Big Sisters	Sustain regional efforts to serve City and County youth and their families, who suffer disadvantaged economic, social and family circumstances.	Each Participant	5,000	5,000	7/1/16-6/30/17
MOU	State of New Mexico Rural Bookmobile West	Financially support Bookmobile in their mission to provide the rural residents of NM with the books, magazines, music CD's, videos and reference materials they hear about, need and desire to read or use.	Each Participant	2,800	2,800	7/1/16-6/30/17
MOU	McKinley Soil & Water Conservation District	Financially support MSWCD in their mission to purchase agricultural supplies and or equipment	Each Participant	8,000	8,000	7/1/16-6/30/17
MOU	Prewitt Rodeo	Financially support Prewitt in their mission to continue a long standing event that has generated and will continue to generate economic opportunities, increase in tax revenue; and provides a recreational event and educational experiences to schools and citizens during the event to the residents throughout McKinley County	Each Participant	3,000	3,000	8/10/16-8/10/17

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REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO

McKinley County

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

Schedule I

Page 1 of 2

	2016 Measurement Date (As of and for the year ended June 30, 2015)	2015 Measurement Date (As of and for the year ended June 30, 2014)
McKinley County's proportion of the net pension liability	1.0546%	0.9374%
McKinley County's proportionate share of the net pension liability	\$ 10,752,561	\$ 7,312,726
McKinley County's covered-employee payroll	\$ 8,740,824	\$ 7,609,080
McKinley County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	123.02%	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, McKinley County will present information for those years for which information is available.

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

STATE OF NEW MEXICO

McKinley County

Schedule I

Page 2 of 2

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

	2016 Measurement Date (As of and for the year ended June 30, 2015)	2015 Measurement Date (As of and for the year ended June 30, 2014)
McKinley County's proportion of the net pension liability	0.7361%	0.7612%
McKinley County's proportionate share of the net pension liability	\$ 3,539,581	\$ 2,481,429
McKinley County's covered-employee payroll	\$ 1,444,170	\$ 1,465,888
McKinley County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	245.09%	169.28%
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, McKinley County will present information for those years for which information is available.

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

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

	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
Contractually required contributions	\$ 818,854	\$ 1,793,368
Contributions in relation to the contractually required contribution	(818,854)	(1,793,368)
Contribution deficiency (excess)	\$ -	\$ -
McKinley County's covered-employee payroll	\$ 8,568,074	\$ 8,740,824
Contributions as a percentage of covered-employee payroll	9.56%	20.52%

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

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

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

	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
Contractually required contributions	\$ 310,764	\$ 272,726
Contributions in relation to the contractually required contribution	(310,764)	(272,726)
Contribution deficiency (excess)	\$ -	\$ -
McKinley County's covered-employee payroll	\$ 1,644,254	\$ 1,444,170
Contributions as a percentage of covered-employee payroll	18.90%	18.88%

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

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

STATE OF NEW MEXICO
McKinley County
Notes to Required Supplementary Information
June 30, 2016

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

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

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

See independent auditors' report.

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
McKinley County
Nonmajor Governmental Fund Descriptions
June 30, 2016

Special Revenue Funds

Environmental Gross Receipts Taxes – To account for a gross receipts tax imposed to fund environmental activities, mainly sanitary landfill closure and disposal of solid waste. Authority is local ordinance authorized by NMSA 1978 7-20E-17.

Property Valuation – 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).

Road Fund – This fund is used to account for the distribution of gasoline taxes and motor vehicle registration fees to the County and the expenditure for construction, reconstruction, resurfacing or other improvement or maintenance of public roads as authorized by NMSA 1978 Section 7-24A-5.

Hazardous Material Support Services – To account for funds transferred from the Fire Excise fund utilized for special equipment, uniforms and protective clothing required for hazardous materials handling and disposal. The fund was set up administratively by the County Board.

EMS – To account for grants from the State of New Mexico Health and Environmental Department to be utilized for capital outlay for fire personnel as paramedics. Funding is authorized by Section 24-10a-6, NMSA, 1978 Compilation.

E911 Metro Dispatch – To account for funds received from the State Funds for E-911 enhancement received from DFA and GRT. The funds are utilized for operational costs and capital outlay. (County Ordinance SEPT-02-089).

Farm & Range – To account for soil conservation and predator control activities within the County. Funding is provided by the Taylor Grazing Act. Expenditures may be made only for the purposes specified in the grant. Funding authorized by Section 6-11-6, NMSA, 1978 Compilation.

Fire Protection District – To account for revenues and expenditures of fire protection funds for the communities of Broadview, Pleasant Hill, and Field. 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 5-A-53-5, NMSA, 1978 Compilation).

Highway Beautification Grant - To account for revenues and expenditures for the New Mexico Clean and Beautiful Project. The fund was created by authority of state statute (see Section 67-15-1 through 67-16-4 of NMSA).

Law Enforcement Protection – 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.

Liquor Excise Tax – A locally assessed 6% tax on retail liquor sales within McKinley County, which was adopted through Ordinance 09-92-048, for the purpose of funding alcohol treatment programs. Local ordinance authorized by Section 7-24-10, NMSA, 1978 Compilation.

Emergency Communication & Medical – To account for gross receipts tax set aside for emergency communications 911 Metro Dispatch and emergency medical services (County Ordinance SEPT-02-089).

Intergovernmental Grants – To account for several of the County's severance tax bonds that the County is a fiscal agent for. This fund was set up administratively by the commission.

Senior Citizens Center – To account for the operations of the County's portion of two Senior Citizen Centers. The sales of ceramics, fees, and dues as well as Federal and State funding relating to the Senior Citizen program are accounted for in this fund. The operations are funded by McKinley County general funds. The fund was set up administratively by the Board.

STATE OF NEW MEXICO
McKinley County
Nonmajor Governmental Fund Descriptions
June 30, 2016

Special Revenue Funds (Continued)

Fire Excise Tax – To account for funds received pursuant to the County’s fire protection excise tax ordinance 07-93-053 as authorized by Sections 7-20E-15, NMSA, 1978. Funds are used to supplement the County’s fire districts and cannot be used to pay salaries, compensation or remuneration to any employee of the State, County or independent fire district.

Local DWI Program – To account for various Federal, State and Local funds received by the County to implement the County’s DWI plans as authorized pursuant to state statute (see Section 43-3-15, NMSA, 1978 Compilation).

Public Defenders Building – To account for revenues and expenditures related to the rental operations of the public defenders office building See Section 4-38-13.

Clerk Recording & Filing – 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 recordings, filing, maintaining, or reproducing of documents in the Office of the County Clerk. This fund was created by the authority of state statute (see Section 14-8-2.2, NMSA, 1978 Compilation).

Magistrate Court – To account for funds received pursuant to a joint powers agreement with the State Administrative Office of Courts for Maintenance and Operation of the Magistrate Court Building. The fund was set up administratively by the Board.

Sheriff’s Grants – Various law enforcement oriented grants utilized by the Sheriff’s Department to fund personnel and equipment. Fund was created administratively for funds restricted by grant agreements.

Narcotic Drug Control & K-9 Drug Unit – To account for various law enforcement agencies from forfeitures of seized drugs to supplement other funding for uses involving drug interdiction and K-9 unit. Fund was created administratively by the Board.

Federal Office of Justice – Law Enforcement Grant – To account for federal grants awarded from the Office of Justice Program and the Federal Vest Program and others if awarded. Fund was created administratively for funds restricted by grant agreements.

Law Enforcement Seizures – To account for monetary seizures made by the McKinley County Sherriff’s Department while cases are pending litigation and disposition. Fund was created administratively by the Board.

Misdemeanor Compliance – A special revenue fund used to account for monies kept as reserves to provide assistance to the Gallup District, Magistrate and Municipal Courts as an alternative to incarceration of prisoners at the McKinley County Adult Detention Center. Fund was created administratively for funds restricted by grant agreements.

Emergency Management – A special revenue fund used to account for monies kept as reserves for emergency management. Fund was created administratively by the Board.

Forest Reserve – To account for expenditures related to Title II monies received by the County. (see McKinley County Ordinance No. Oct- 12- 54)

JSAAC Center – To account for the expenditures related to the Juvenile Alcohol/Substance Abuse facility. Fund was created administratively for funds restricted by JPA agreement.

CDBG Planning – To account for the CDBG and local funds to do major repairs and improvements for the Thoreau Water Project. Fund was created administratively for funds restricted by DFA.

Rural Public Safety – To account for gross receipts taxes (1/16%) collected for the public safety expenditures for the citizens of McKinley County. Authorized by Ordinance No. AUG-98-075.

STATE OF NEW MEXICO
McKinley County
Nonmajor Governmental Fund Descriptions
June 30, 2016

Capital Projects Fund

Capital Projects – To account for the expenditures related to the construction of capital projects.

Federal Grants – To account for the expenditures related to the construction of capital projects funded partly or fully by federal grants.

CDBG/ Gameraico Water System Phase III – To account for the CDBG funds related to the Gameraico Water System Phase III operations.

McKinley County Drainage – To account for monies received for the purpose of master drainage plan and study regarding drainage problems throughout the County.

Infrastructure Gross Receipts – To account for monies received through infrastructure gross receipts tax for the purpose of monitoring County infrastructure and road equipment, July 2009.

State Projects – To account for funding from state sources used for various projects.

Judicial Complex Construction – To account for construction of the Judicial Complex.

Energy Efficiency Project – To account for monies received to conduct an energy efficiency study to determine where items can be replaced throughout the County with more energy efficient items.

Debt Service Funds

General Obligation Bonds – To account for the accumulation of resources, and the payment of, general long-term debt principal, interest and related costs of gross receipts tax bonds. The primary source of revenue is property taxes.

Law Enforcement JDC Bond – To account for funding from sources used for the Law Enforcement JDC Building.

Judicial Complex – To account for monies designated for the retirement of debt associated with the construction of the Judicial Complex.

Energy Efficiency Energy Bond – To account for the payment of long-term debt principal, interest and related costs of energy efficiency bond related to the energy efficiency project.

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

	Special Revenue			
	Environmental Gross Receipts Taxes	Property Valuation	Road	Hazardous Material Support Services
<i>Assets</i>				
Cash and cash equivalents	\$ 2,720,449	\$ 381,110	\$ 2,701,470	\$ 34,075
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	16,966	-	190,939	-
Other receivables	-	-	374,796	-
Total assets	\$ 2,737,415	\$ 381,110	\$ 3,267,205	\$ 34,075
<i>Liabilities, deferred inflows, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 17,470	\$ 1,923	\$ 74,177	\$ -
Accrued payroll	-	5,810	70,940	-
Due to other funds	-	-	-	-
Total liabilities	17,470	7,733	145,117	-
<i>Deferred inflows of resources</i>				
Deferred inflows - grants	-	-	178,097	-
Deferred inflows - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	178,097	-
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	2,719,945	373,377	-	-
Maintenance of roads	-	-	2,667,470	-
Fire departments	-	-	-	-
Farm & Range	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Debt service expenditures	-	-	-	-
<i>Committed for:</i>				
County operations	-	-	-	-
Public safety	-	-	-	34,075
Senior center	-	-	-	-
Capital projects expenditures	-	-	-	-
Minimum fund balance	-	-	276,521	-
Unassigned	-	-	-	-
Total fund balances	2,719,945	373,377	2,943,991	34,075
Total liabilities, deferred inflows, and fund balances	\$ 2,737,415	\$ 381,110	\$ 3,267,205	\$ 34,075

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

Special Revenue

EMS	E911 Metro Dispatch	Farm & Range	Fire Protection District	Highway Beautification Grant	Law Enforcement Protection
\$ 276,898	\$ 1,055,966	\$ 10,605	\$ 778,256	\$ 25,048	\$ -
-	-	-	1,502,853	4,050	-
-	-	-	-	-	-
-	-	-	-	-	-
9,767	1,027	-	-	-	-
<u>\$ 286,665</u>	<u>\$ 1,056,993</u>	<u>\$ 10,605</u>	<u>\$ 2,281,109</u>	<u>\$ 29,098</u>	<u>\$ -</u>
\$ 15,310	\$ 1,958	\$ -	\$ 24,489	\$ -	\$ 495
23,775	63,345	-	-	-	-
-	-	-	-	-	-
<u>39,085</u>	<u>65,303</u>	<u>-</u>	<u>24,489</u>	<u>-</u>	<u>495</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	29,098	-
-	-	-	-	-	-
-	-	10,605	-	-	-
247,580	991,690	-	2,256,620	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(495)
<u>247,580</u>	<u>991,690</u>	<u>10,605</u>	<u>2,256,620</u>	<u>29,098</u>	<u>(495)</u>
<u>\$ 286,665</u>	<u>\$ 1,056,993</u>	<u>\$ 10,605</u>	<u>\$ 2,281,109</u>	<u>\$ 29,098</u>	<u>\$ -</u>

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

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

	Special Revenue			
	Liquor Excise Tax	Emergency Communication & Medical	Inter- governmental Grants	Senior Citizens Centers
<i>Assets</i>				
Cash and cash equivalents	\$ 1,262,598	\$ 2,864,981	\$ 17,919	\$ 9,607
Investments	-	-	400,000	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	118,184	478,890	-	-
Other receivables	-	-	-	-
<i>Total assets</i>	<u>\$ 1,380,782</u>	<u>\$ 3,343,871</u>	<u>\$ 417,919</u>	<u>\$ 9,607</u>
<i>Liabilities, deferred inflows, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 41	\$ -	\$ 2,136
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>41</u>	<u>-</u>	<u>2,136</u>
<i>Deferred inflows of resources</i>				
Deferred inflows - grants	-	-	-	-
Deferred inflows - property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Farm & Range	-	-	-	-
Public safety	1,380,782	3,343,830	-	-
Healthcare	-	-	-	-
Debt service expenditures	-	-	-	-
<i>Committed for:</i>				
County operations	-	-	417,919	-
Public safety	-	-	-	-
Senior center	-	-	-	7,471
Capital projects expenditures	-	-	-	-
Minimum fund balance	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>1,380,782</u>	<u>3,343,830</u>	<u>417,919</u>	<u>7,471</u>
<i>Total liabilities, deferred inflows, and fund balances</i>	<u>\$ 1,380,782</u>	<u>\$ 3,343,871</u>	<u>\$ 417,919</u>	<u>\$ 9,607</u>

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

Special Revenue

Fire Excise Tax	Local DWI Program	Public Defenders Building	Clerk Recording & Filing	Magistrate Court	Sheriff's Grants
\$ 2,113,271	\$ 483,754	\$ 118,687	\$ 79,251	\$ 63,653	\$ 107,607
999,060	-	-	-	350,084	500,000
-	-	-	-	-	-
167,405	-	-	-	-	-
-	66,923	-	-	-	309,625
<u>\$ 3,279,736</u>	<u>\$ 550,677</u>	<u>\$ 118,687</u>	<u>\$ 79,251</u>	<u>\$ 413,737</u>	<u>\$ 917,232</u>
\$ 3,769	\$ 12,790	\$ 634	\$ -	\$ 2,008	\$ 8,379
-	12,803	-	-	-	-
-	-	-	-	-	29,040
<u>3,769</u>	<u>25,593</u>	<u>634</u>	<u>-</u>	<u>2,008</u>	<u>37,419</u>
-	9,962	-	-	-	273,672
-	-	-	-	-	-
<u>-</u>	<u>9,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,672</u>
3,275,967	-	-	79,251	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	515,122	118,053	-	-	606,141
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	411,729	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,275,967</u>	<u>515,122</u>	<u>118,053</u>	<u>79,251</u>	<u>411,729</u>	<u>606,141</u>
<u>\$ 3,279,736</u>	<u>\$ 550,677</u>	<u>\$ 118,687</u>	<u>\$ 79,251</u>	<u>\$ 413,737</u>	<u>\$ 917,232</u>

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

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

	Special Revenue			
	Narcotic Drug Control & K-9 Drug Unit	Federal Office of Justice - Law Enforcement Grant	Law Enforcement Seizures	Misdemeanor Compliance
<i>Assets</i>				
Cash and cash equivalents	\$ 221,199	\$ 23,566	\$ 46,919	\$ 232,564
Investments	-	150,000	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables	-	-	-	2,240
Total assets	\$ 221,199	\$ 173,566	\$ 46,919	\$ 234,804
<i>Liabilities, deferred inflows, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,346
Accrued payroll	-	-	-	13,843
Due to other funds	-	-	-	-
Total liabilities	-	-	-	15,189
<i>Deferred inflows of resources</i>				
Deferred inflows - grants	-	-	-	-
Deferred inflows - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Farm & Range	-	-	-	-
Public safety	-	173,566	-	-
Healthcare	-	-	-	-
Debt service expenditures	-	-	-	-
<i>Committed for:</i>				
County operations	-	-	-	-
Public safety	221,199	-	46,919	219,615
Senior center	-	-	-	-
Capital projects expenditures	-	-	-	-
Minimum fund balance	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	221,199	173,566	46,919	219,615
Total liabilities, deferred inflows, and fund balances	\$ 221,199	\$ 173,566	\$ 46,919	\$ 234,804

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

Special Revenue					Capital Projects
Emergency Management	Forest Reserve	JSAAC Center	CDBG Planning	Rural Public Safety	Capital Projects
\$ 110,651	\$ 59,586	\$ 22,211	\$ 45,989	\$ 859,738	\$ 40,460
620,490	250,060	325,000	5,000	2,000,920	3,501,680
-	-	-	-	-	-
-	-	-	-	119,744	394,001
137,028	16,702	26,207	-	-	-
<u>\$ 868,169</u>	<u>\$ 326,348</u>	<u>\$ 373,418</u>	<u>\$ 50,989</u>	<u>\$ 2,980,402</u>	<u>\$ 3,936,141</u>
\$ 55,086	\$ -	\$ 3,507	\$ -	\$ 375,348	\$ -
21,090	-	18,842	-	-	-
-	-	-	-	-	-
76,176	-	22,349	-	375,348	-
35,687	-	-	-	-	-
-	-	-	-	-	-
35,687	-	-	-	-	-
-	326,348	-	50,989	-	-
-	-	-	-	-	-
-	-	-	-	2,605,054	-
-	-	-	-	-	-
756,306	-	351,069	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	3,936,141
-	-	-	-	-	-
-	-	-	-	-	-
756,306	326,348	351,069	50,989	2,605,054	3,936,141
<u>\$ 868,169</u>	<u>\$ 326,348</u>	<u>\$ 373,418</u>	<u>\$ 50,989</u>	<u>\$ 2,980,402</u>	<u>\$ 3,936,141</u>

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

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

	Capital Projects			
	Federal Grants	CDBG/ Gamerico Water System Phase III	McKinley County Drainage	Infrastructure Gross Receipts
<i>Assets</i>				
Cash and cash equivalents	\$ 476,107	\$ 645,308	\$ 600	\$ 2,254,764
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	62,777
Other receivables	-	-	-	-
<i>Total assets</i>	<u>\$ 476,107</u>	<u>\$ 645,308</u>	<u>\$ 600</u>	<u>\$ 2,317,541</u>
<i>Liabilities, deferred inflows, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Deferred inflows - grants	-	-	-	-
Deferred inflows - property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Farm & Range	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Debt service expenditures	-	-	-	-
<i>Committed for:</i>				
County operations	-	-	-	-
Public safety	-	-	-	-
Senior center	-	-	-	-
Capital projects expenditures	476,107	645,308	600	2,317,541
Minimum fund balance	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>476,107</u>	<u>645,308</u>	<u>600</u>	<u>2,317,541</u>
<i>Total liabilities, deferred inflows, and fund balances</i>	<u>\$ 476,107</u>	<u>\$ 645,308</u>	<u>\$ 600</u>	<u>\$ 2,317,541</u>

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

Capital Projects			Debt Service		
State Projects	Judicial Complex Construction	Energy Efficiency Project	General Obligation Bonds	Law Enforcement JDC Bonds	Judicial Complex
\$ 1,800,040	\$ 303,589	\$ 89,955	\$ -	\$ 752,564	\$ 599,109
-	-	-	-	-	-
-	-	-	638	-	-
-	-	-	-	25,000	-
24,810	-	-	-	-	-
<u>\$ 1,824,850</u>	<u>\$ 303,589</u>	<u>\$ 89,955</u>	<u>\$ 638</u>	<u>\$ 777,564</u>	<u>\$ 599,109</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	638	-	-
-	-	-	638	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	777,564	599,109
-	-	-	-	-	-
-	-	-	-	-	-
1,824,850	303,589	89,955	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,824,850</u>	<u>303,589</u>	<u>89,955</u>	<u>-</u>	<u>777,564</u>	<u>599,109</u>
<u>\$ 1,824,850</u>	<u>\$ 303,589</u>	<u>\$ 89,955</u>	<u>\$ 638</u>	<u>\$ 777,564</u>	<u>\$ 599,109</u>

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

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

	Debt Service	
	Energy Efficiency Bond	Total Nonmajor Governmental Funds
<i>Assets</i>		
Cash and cash equivalents	\$ 230,595	\$ 23,920,719
Investments	-	10,609,197
Receivables:		
Property taxes	-	638
Other taxes	60,000	1,633,906
Other receivables	-	969,125
<i>Total assets</i>	\$ 290,595	\$ 37,133,585
<i>Liabilities, deferred inflows, and fund balances</i>		
<i>Liabilities</i>		
Accounts payable	\$ -	\$ 600,866
Accrued payroll	-	230,448
Due to other funds	-	29,040
<i>Total liabilities</i>	-	860,354
<i>Deferred inflows of resources</i>		
Deferred inflows - grants	-	497,418
Deferred inflows - property taxes	-	638
<i>Total deferred inflows of resources</i>	-	498,056
<i>Fund balances</i>		
<i>Spendable</i>		
<i>Restricted for:</i>		
General county operations	-	6,825,877
Maintenance of roads	-	2,696,568
Fire departments	-	2,605,054
Farm & Range	-	10,605
Public safety	-	10,740,759
Healthcare	-	-
Debt service expenditures	290,595	1,667,268
<i>Committed for:</i>		
County operations	-	829,648
Public safety	-	521,808
Senior center	-	7,471
Capital projects expenditures	-	9,594,091
Minimum fund balance	-	276,521
Unassigned	-	(495)
<i>Total fund balances</i>	290,595	35,775,175
<i>Total liabilities, deferred inflows, and fund balances</i>	\$ 290,595	\$ 37,133,585

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

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

	Special Revenue			
	Environmental Gross Receipts Taxes	Property Valuation	Road	Hazardous Material Support Services
<i>Revenues</i>				
Taxes:				
Gross receipts	\$ 596,284	\$ -	\$ 713,284	\$ -
Gasoline and motor vehicle taxes	-	-	1,102,544	-
Liquor excise and other taxes	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	217,090	-
State operating grants	-	-	1,081,093	-
State capital grants	-	-	130,112	-
Charges for services	-	225,262	44,536	-
Investment income	-	-	-	-
Net increase (decrease) in the fair value of investments	7,667	-	-	-
Miscellaneous	-	100	30,471	-
<i>Total revenues</i>	<u>603,951</u>	<u>225,362</u>	<u>3,319,130</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	338,026	239,977	-	-
Public safety	-	-	-	5,908
Public works	-	-	3,331,463	-
Health and welfare	-	-	-	-
Capital outlay	-	9,826	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>338,026</u>	<u>249,803</u>	<u>3,331,463</u>	<u>5,908</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>265,925</u>	<u>(24,441)</u>	<u>(12,333)</u>	<u>(5,908)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	2,360,751	-
Transfers (out)	(3,000)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(3,000)</u>	<u>-</u>	<u>2,360,751</u>	<u>-</u>
<i>Net change in fund balances</i>	262,925	(24,441)	2,348,418	(5,908)
<i>Fund balances - beginning of year</i>	<u>2,457,020</u>	<u>397,818</u>	<u>595,573</u>	<u>39,983</u>
<i>Fund balances - end of year</i>	<u>\$ 2,719,945</u>	<u>\$ 373,377</u>	<u>\$ 2,943,991</u>	<u>\$ 34,075</u>

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

Special Revenue

EMS	E911 Metro Dispatch	Farm & Range	Fire Protection District	Highway Beautification Grant	Law Enforcement Protection
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	16,117	-	-	-
169,938	25,013	-	1,505,247	7,400	49,200
-	-	-	-	-	-
67,887	1,625	-	-	-	-
-	-	-	-	-	-
-	-	-	(870)	45	-
-	716	-	-	-	-
<u>237,825</u>	<u>27,354</u>	<u>16,117</u>	<u>1,504,377</u>	<u>7,445</u>	<u>49,200</u>
-	-	-	-	-	-
980,810	1,801,508	-	518,870	-	49,375
-	-	-	-	9,150	-
-	-	21,000	-	-	-
-	86,738	-	1,091,165	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>980,810</u>	<u>1,888,246</u>	<u>21,000</u>	<u>1,610,035</u>	<u>9,150</u>	<u>49,375</u>
<u>(742,985)</u>	<u>(1,860,892)</u>	<u>(4,883)</u>	<u>(105,658)</u>	<u>(1,705)</u>	<u>(175)</u>
585,000	2,060,733	7,600	-	-	-
-	(15,733)	-	-	-	-
<u>585,000</u>	<u>2,045,000</u>	<u>7,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
(157,985)	184,108	2,717	(105,658)	(1,705)	(175)
405,565	807,582	7,888	2,362,278	30,803	(320)
<u>\$ 247,580</u>	<u>\$ 991,690</u>	<u>\$ 10,605</u>	<u>\$ 2,256,620</u>	<u>\$ 29,098</u>	<u>\$ (495)</u>

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

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

	Special Revenue			
	Liquor Excise Tax	Emergency Communication & Medical	Inter- governmental Grants	Senior Citizens Centers
<i>Revenues</i>				
Taxes:				
Gross receipts	\$ -	\$ 3,311,830	\$ -	\$ -
Gasoline and motor vehicle taxes	-	-	-	-
Liquor excise and other taxes	1,492,712	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	145,476	117,165	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	817	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,492,712</u>	<u>3,457,306</u>	<u>117,982</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	43,569	-
Public safety	-	375,852	-	-
Public works	-	-	-	-
Health and welfare	1,590,269	-	-	33,127
Capital outlay	-	530,254	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,590,269</u>	<u>906,106</u>	<u>43,569</u>	<u>33,127</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(97,557)</u>	<u>2,551,200</u>	<u>74,413</u>	<u>(33,127)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	15,733	-	35,000
Transfers (out)	-	(2,645,733)	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(2,630,000)</u>	<u>-</u>	<u>35,000</u>
<i>Net change in fund balances</i>	(97,557)	(78,800)	74,413	1,873
<i>Fund balances - beginning of year</i>	<u>1,478,339</u>	<u>3,422,630</u>	<u>343,506</u>	<u>5,598</u>
<i>Fund balances - end of year</i>	<u>\$ 1,380,782</u>	<u>\$ 3,343,830</u>	<u>\$ 417,919</u>	<u>\$ 7,471</u>

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

Special Revenue

Fire Excise Tax	Local DWI Program	Public Defenders Building	Clerk Recording & Filing	Magistrate Court	Sheriff's Grants
\$ 1,290,041	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,025,016	-	-	187,890	336,235
-	-	-	-	-	-
-	114,762	38,495	21,962	-	-
-	-	-	-	-	-
11,089	-	-	-	84	1,135
-	69	-	-	-	-
<u>1,301,130</u>	<u>1,139,847</u>	<u>38,495</u>	<u>21,962</u>	<u>187,974</u>	<u>337,370</u>
949,521	-	-	7,718	122,643	-
-	916,952	29,862	-	-	367,673
-	-	-	-	-	-
-	-	-	-	-	-
1,671,248	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,620,769</u>	<u>916,952</u>	<u>29,862</u>	<u>7,718</u>	<u>122,643</u>	<u>367,673</u>
<u>(1,319,639)</u>	<u>222,895</u>	<u>8,633</u>	<u>14,244</u>	<u>65,331</u>	<u>(30,303)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(1,319,639)</u>	<u>222,895</u>	<u>8,633</u>	<u>14,244</u>	<u>65,331</u>	<u>(30,303)</u>
<u>4,595,606</u>	<u>292,227</u>	<u>109,420</u>	<u>65,007</u>	<u>346,398</u>	<u>636,444</u>
<u>\$ 3,275,967</u>	<u>\$ 515,122</u>	<u>\$ 118,053</u>	<u>\$ 79,251</u>	<u>\$ 411,729</u>	<u>\$ 606,141</u>

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

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

	Special Revenue			
	Narcotic Drug Control & K-9 Drug Unit	Federal Office of Justice - Law Enforcement Grant	Law Enforcement Seizures	Misdemeanor Compliance
<i>Revenues</i>				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle taxes	-	-	-	-
Liquor excise and other taxes	-	-	-	-
Intergovernmental:				
Federal operating grants	-	23,004	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	419,745
Investment income	-	-	-	-
Net increase (decrease) in the fair value of investments	-	363	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>23,367</u>	<u>-</u>	<u>419,745</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	30,189	18,177	255	348,737
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	5,400	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,189</u>	<u>23,577</u>	<u>255</u>	<u>348,737</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(30,189)</u>	<u>(210)</u>	<u>(255)</u>	<u>71,008</u>
<i>Other financing sources (uses)</i>				
Transfers in	30,000	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(189)	(210)	(255)	71,008
<i>Fund balances - beginning of year</i>	<u>221,388</u>	<u>173,776</u>	<u>47,174</u>	<u>148,607</u>
<i>Fund balances - end of year</i>	<u>\$ 221,199</u>	<u>\$ 173,566</u>	<u>\$ 46,919</u>	<u>\$ 219,615</u>

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

Special Revenue					Capital Projects
Emergency Management	Forest Reserve	JSAAC Center	CDBG Planning	Rural Public Safety	Capital Projects
\$ -	\$ -	\$ -	\$ -	\$ 828,043	\$ 2,622,223
-	-	-	-	-	-
-	-	-	-	-	-
174,210	88,277	114,294	-	-	-
-	-	364,734	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	173	-	-
1,408	60	681	91	920	13,490
942	-	60	-	357	-
<u>176,560</u>	<u>88,337</u>	<u>479,769</u>	<u>264</u>	<u>829,320</u>	<u>2,635,713</u>
-	68,617	45,703	-	-	1,129,866
820,705	-	494,398	-	186,959	-
-	-	-	-	-	-
-	-	-	-	-	-
7,810	-	-	-	1,080,026	212,270
-	-	-	-	-	-
-	-	-	-	-	-
<u>828,515</u>	<u>68,617</u>	<u>540,101</u>	<u>-</u>	<u>1,266,985</u>	<u>1,342,136</u>
<u>(651,955)</u>	<u>19,720</u>	<u>(60,332)</u>	<u>264</u>	<u>(437,665)</u>	<u>1,293,577</u>
522,000	-	64,233	-	1,300,000	-
<u>(1,300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(639,537)</u>	<u>(2,153,214)</u>
<u>(778,000)</u>	<u>-</u>	<u>64,233</u>	<u>-</u>	<u>660,463</u>	<u>(2,153,214)</u>
(1,429,955)	19,720	3,901	264	222,798	(859,637)
<u>2,186,261</u>	<u>306,628</u>	<u>347,168</u>	<u>50,725</u>	<u>2,382,256</u>	<u>4,795,778</u>
<u>\$ 756,306</u>	<u>\$ 326,348</u>	<u>\$ 351,069</u>	<u>\$ 50,989</u>	<u>\$ 2,605,054</u>	<u>\$ 3,936,141</u>

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

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

	Capital Projects			
	Federal Grants	CDBG/ Gamerico Water System Phase III	McKinley County Drainage	Infrastructure Gross Receipts
<i>Revenues</i>				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ 483,762
Gasoline and motor vehicle taxes	-	-	-	-
Liquor excise and other taxes	-	-	-	-
Intergovernmental:				
Federal operating grants	86,092	5,000	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	-	-
Miscellaneous	-	-	-	625
<i>Total revenues</i>	<u>86,092</u>	<u>5,000</u>	<u>-</u>	<u>484,387</u>
<i>Expenditures</i>				
Current:				
General government	-	20,245	-	3,297
Public safety	-	-	-	-
Public works	-	-	58,062	83,497
Health and welfare	-	-	-	-
Capital outlay	-	-	-	556,166
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>20,245</u>	<u>58,062</u>	<u>642,960</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>86,092</u>	<u>(15,245)</u>	<u>(58,062)</u>	<u>(158,573)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	3,000	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	86,092	(12,245)	(58,062)	(158,573)
<i>Fund balances - beginning of year</i>	<u>390,015</u>	<u>657,553</u>	<u>58,662</u>	<u>2,476,114</u>
<i>Fund balances - end of year</i>	<u>\$ 476,107</u>	<u>\$ 645,308</u>	<u>\$ 600</u>	<u>\$ 2,317,541</u>

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

Capital Projects			Debt Service		
State Projects	Judicial Complex Construction	Energy Efficiency Project	General Obligation Bonds	Law Enforcement JDC Bonds	Judicial Complex
\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 110,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
124,810	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	319,290	-
-	-	-	-	-	-
27,745	-	-	-	-	-
-	-	-	-	-	384,608
152,555	-	-	-	619,290	494,608
119,556	-	-	30	-	-
-	-	-	-	-	-
-	-	940,318	-	-	-
-	-	-	-	-	-
-	-	92,078	-	-	-
-	-	-	-	315,000	270,000
-	-	-	-	386,344	214,100
119,556	-	1,032,396	30	701,344	484,100
32,999	-	(1,032,396)	(30)	(82,054)	10,508
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
32,999	-	(1,032,396)	(30)	(82,054)	10,508
1,791,851	303,589	1,122,351	30	859,618	588,601
\$ 1,824,850	\$ 303,589	\$ 89,955	\$ -	\$ 777,564	\$ 599,109

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

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

	Debt Service	
	Energy Efficiency Bond	Total Nonmajor Governmental Funds
<i>Revenues</i>		
Taxes:		
Gross receipts	\$ 390,000	\$ 10,645,467
Gasoline and motor vehicle taxes	-	1,102,544
Liquor excise and other taxes	-	1,492,712
Intergovernmental:		
Federal operating grants	-	724,084
State operating grants	-	5,139,217
State capital grants	-	130,112
Charges for services	-	1,253,564
Investment income	-	173
Net increase (decrease) in the fair value of investments	-	64,725
Miscellaneous	-	417,948
	<u>390,000</u>	<u>20,970,546</u>
<i>Total revenues</i>		
<i>Expenditures</i>		
Current:		
General government	-	3,088,768
Public safety	-	6,946,230
Public works	-	4,422,490
Health and welfare	-	1,644,396
Capital outlay	-	5,342,981
Debt service:		
Principal	190,000	775,000
Interest	64,395	664,839
	<u>254,395</u>	<u>22,884,704</u>
<i>Total expenditures</i>		
<i>Excess (deficiency) of revenues over expenditures</i>	<u>135,605</u>	<u>(1,914,158)</u>
<i>Other financing sources (uses)</i>		
Transfers in	-	6,984,050
Transfers (out)	-	(6,757,217)
	<u>-</u>	<u>226,833</u>
<i>Total other financing sources (uses)</i>		
<i>Net change in fund balances</i>	135,605	(1,687,325)
<i>Fund balances - beginning of year</i>	<u>154,990</u>	<u>37,462,500</u>
<i>Fund balances - end of year</i>	<u>\$ 290,595</u>	<u>\$ 35,775,175</u>

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

STATE OF NEW MEXICO

Statement B-1

McKinley County

Environmental Gross Receipts Taxes Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	640,000	640,000	600,216	(39,784)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	7,667	7,667
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>640,000</u>	<u>640,000</u>	<u>607,883</u>	<u>(32,117)</u>
<i>Expenditures:</i>				
Current:				
General government	525,000	525,000	330,089	194,911
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
<i>Total expenditures</i>	<u>525,000</u>	<u>525,000</u>	<u>330,089</u>	<u>194,911</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>115,000</u>	<u>115,000</u>	<u>277,794</u>	<u>162,794</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(112,000)	(112,000)	-	112,000
Transfers in	-	-	-	-
Transfers (out)	(3,000)	(3,000)	(3,000)	-
<i>Total other financing sources (uses)</i>	<u>(115,000)</u>	<u>(115,000)</u>	<u>(3,000)</u>	<u>112,000</u>
<i>Net change in fund balance</i>	-	-	274,794	274,794
<i>Fund balance - beginning of year</i>	-	-	2,445,655	2,445,655
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,720,449</u>	<u>\$ 2,720,449</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 274,794
Adjustments to revenues for gross receipts taxes				(3,932)
Adjustments to expenditures for other county agencies				(7,937)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 262,925</u>

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

STATE OF NEW MEXICO
 McKinley County
 Property Valuation Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-2

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
<i>Intergovernmental:</i>				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	235,000	235,000	225,262	(9,738)
Miscellaneous	100	100	100	-
<i>Total revenues</i>	<u>235,100</u>	<u>235,100</u>	<u>225,362</u>	<u>(9,738)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	313,127	313,127	241,569	71,558
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	11,500	11,500	9,826	1,674
<i>Debt service:</i>				
Interest	-	-	-	-
<i>Total expenditures</i>	<u>324,627</u>	<u>324,627</u>	<u>251,395</u>	<u>73,232</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(89,527)</u>	<u>(89,527)</u>	<u>(26,033)</u>	<u>63,494</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	89,527	89,527	-	(89,527)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>89,527</u>	<u>89,527</u>	<u>-</u>	<u>(89,527)</u>
<i>Net change in fund balance</i>	-	-	(26,033)	(26,033)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>407,143</u>	<u>407,143</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 381,110</u>	<u>\$ 381,110</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (26,033)
No adjustments to revenues				-
Adjustments to expenditures for non capital equipment				1,592
<i>Net change in fund balance (GAAP)</i>				<u>\$ (24,441)</u>

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

STATE OF NEW MEXICO

Statement B-3

McKinley County

Road Fund Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	667,000	667,000	668,527	1,527
Gasoline and motor vehicle	1,677,650	1,677,650	897,012	(780,638)
Intergovernmental:				
Federal operating grants	145,000	145,000	217,090	72,090
State operating grants	2,322,310	2,322,310	1,091,091	(1,231,219)
State capital grants	448,085	448,085	336,168	(111,917)
Charges for services	-	-	44,536	44,536
Miscellaneous	1,000	1,000	2,201	1,201
<i>Total revenues</i>	<u>5,261,045</u>	<u>5,261,045</u>	<u>3,256,625</u>	<u>(2,004,420)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	6,579,438	6,692,093	3,318,253	3,373,840
Health and welfare	-	-	-	-
Capital outlay	74,250	74,250	-	74,250
Debt service:				
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,653,688</u>	<u>6,766,343</u>	<u>3,318,253</u>	<u>3,448,090</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,392,643)</u>	<u>(1,505,298)</u>	<u>(61,628)</u>	<u>1,443,670</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(760,571)	(647,916)	-	647,916
Transfers in	2,153,214	2,153,214	2,360,751	207,537
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,392,643</u>	<u>1,505,298</u>	<u>2,360,751</u>	<u>855,453</u>
<i>Net change in fund balance</i>	-	-	2,299,123	2,299,123
<i>Fund balance - beginning of year</i>	-	-	402,347	402,347
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,701,470</u>	<u>\$ 2,701,470</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 2,299,123
Adjustments to revenues for gross receipts and other taxes				62,505
Adjustments to expenditures for non capital equipment				(13,210)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 2,348,418</u>

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

STATE OF NEW MEXICO
 McKinley County
 Hazardous Material Support Services Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	25,000	25,000	5,908	19,092
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>25,000</u>	<u>25,000</u>	<u>5,908</u>	<u>19,092</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(5,908)</u>	<u>19,092</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	25,000	25,000	-	(25,000)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
<i>Net change in fund balance</i>	-	-	(5,908)	(5,908)
<i>Fund balance - beginning of year</i>	-	-	39,983	39,983
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,075</u>	<u>\$ 34,075</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (5,908)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (5,908)</u>

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

STATE OF NEW MEXICO

Statement B-5

McKinley County

EMS Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	158,560	158,560	169,938	11,378
State capital grants	-	-	-	-
Charges for services	70,000	70,000	62,010	(7,990)
Miscellaneous	1,000	1,000	236	(764)
<i>Total revenues</i>	<u>229,560</u>	<u>229,560</u>	<u>232,184</u>	<u>2,624</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,035,196	1,095,633	1,006,470	89,163
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,035,196</u>	<u>1,095,633</u>	<u>1,006,470</u>	<u>89,163</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(805,636)</u>	<u>(866,073)</u>	<u>(774,286)</u>	<u>91,787</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	220,636	281,073	-	(281,073)
Transfers in	585,000	585,000	585,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>805,636</u>	<u>866,073</u>	<u>585,000</u>	<u>(281,073)</u>
<i>Net change in fund balance</i>	-	-	(189,286)	(189,286)
<i>Fund balance - beginning of year</i>	-	-	466,184	466,184
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,898</u>	<u>\$ 276,898</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (189,286)
Adjustments to revenue for state operating grants and charges for service				5,641
Adjustments to expenditures for supplies, equipment, and other expenditures				25,660
<i>Net change in fund balance (GAAP)</i>				<u>\$ (157,985)</u>

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

STATE OF NEW MEXICO

Statement B-6

McKinley County

E911 Metro Dispatch Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	25,000	25,000	24,077	(923)
State capital grants	-	-	-	-
Charges for services	2,000	2,000	1,625	(375)
Miscellaneous	150	150	650	500
<i>Total revenues</i>	<u>27,150</u>	<u>27,150</u>	<u>26,352</u>	<u>(798)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	2,267,910	2,273,729	1,846,827	426,902
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	325,168	61,825	54,915	6,910
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,593,078</u>	<u>2,335,554</u>	<u>1,901,742</u>	<u>433,812</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,565,928)</u>	<u>(2,308,404)</u>	<u>(1,875,390)</u>	<u>433,014</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	520,928	263,404	-	(263,404)
Transfers in	2,045,000	2,045,000	2,060,733	15,733
Transfers (out)	-	-	(15,733)	(15,733)
<i>Total other financing sources (uses)</i>	<u>2,565,928</u>	<u>2,308,404</u>	<u>2,045,000</u>	<u>(263,404)</u>
<i>Net change in fund balance</i>	-	-	169,610	169,610
<i>Fund balance - beginning of year</i>	-	-	886,356	886,356
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,055,966</u>	<u>\$ 1,055,966</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 169,610
Adjustments to revenues for state operating grants				1,002
Adjustments to expenditures for repairs and maintenance and professional services				13,496
<i>Net change in fund balance (GAAP)</i>				<u>\$ 184,108</u>

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

STATE OF NEW MEXICO

Statement B-7

McKinley County

Farm & Range Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	13,400	13,400	16,117	2,717
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>13,400</u>	<u>13,400</u>	<u>16,117</u>	<u>2,717</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	23,700	23,733	23,732	1
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>23,700</u>	<u>23,733</u>	<u>23,732</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,300)</u>	<u>(10,333)</u>	<u>(7,615)</u>	<u>2,718</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,700	2,733	-	(2,733)
Transfers in	7,600	7,600	7,600	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,300</u>	<u>10,333</u>	<u>7,600</u>	<u>(2,733)</u>
<i>Net change in fund balance</i>	-	-	(15)	(15)
<i>Fund balance - beginning of year</i>	-	-	10,620	10,620
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,605</u>	<u>\$ 10,605</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (15)
No adjustments to revenues				-
Adjustments to expenditures for grants				2,732
<i>Net change in fund balance (GAAP)</i>				<u>\$ 2,717</u>

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

STATE OF NEW MEXICO

Statement B-8

McKinley County

Fire Protection District Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	1,432,000	1,432,000	1,505,247	73,247
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	(870)	(870)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,432,000</u>	<u>1,432,000</u>	<u>1,504,377</u>	<u>72,377</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,405,470	1,415,883	848,438	567,445
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	555,000	1,156,639	759,193	397,446
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,960,470</u>	<u>2,572,522</u>	<u>1,607,631</u>	<u>964,891</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(528,470)</u>	<u>(1,140,522)</u>	<u>(103,254)</u>	<u>1,037,268</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	528,470	1,140,522	-	(1,140,522)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>528,470</u>	<u>1,140,522</u>	<u>-</u>	<u>(1,140,522)</u>
<i>Net change in fund balance</i>	-	-	(103,254)	(103,254)
<i>Fund balance - beginning of year</i>	-	-	2,384,363	2,384,363
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,281,109</u>	<u>\$ 2,281,109</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (103,254)
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance				(2,404)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (105,658)</u>

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

STATE OF NEW MEXICO
 McKinley County
 Highway Beautification Grant Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-9

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	10,000	10,000	7,400	(2,600)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>7,400</u>	<u>(2,600)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	30,915	30,915	9,150	21,765
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,915</u>	<u>30,915</u>	<u>9,150</u>	<u>21,765</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(20,915)</u>	<u>(20,915)</u>	<u>(1,750)</u>	<u>19,165</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	20,915	20,915	-	(20,915)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>20,915</u>	<u>20,915</u>	<u>-</u>	<u>(20,915)</u>
<i>Net change in fund balance</i>	-	-	(1,750)	(1,750)
<i>Fund balance - beginning of year</i>	-	-	30,803	30,803
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,053</u>	<u>\$ 29,053</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,750)
Adjustments to revenues for investments				45
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (1,705)</u>

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

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

Statement B-10

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	49,200	49,200	49,200	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>49,200</u>	<u>49,200</u>	<u>49,200</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	14,200	49,200	49,200	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	35,600	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>49,800</u>	<u>49,200</u>	<u>49,200</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(600)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	600	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>600</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
Adjustments to expenditures for travel				<u>(175)</u>
<i>Net change in fund balance (GAAP)</i>				<u>\$ (175)</u>

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

STATE OF NEW MEXICO
 McKinley County
 Liquor Excise Tax Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-11

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Liquor excise	1,100,000	1,100,000	1,374,528	274,528
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,374,528</u>	<u>274,528</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,100,000	1,590,270	1,590,269	1
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,100,000</u>	<u>1,590,270</u>	<u>1,590,269</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(490,270)</u>	<u>(215,741)</u>	<u>274,529</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	490,270	-	(490,270)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>490,270</u>	<u>-</u>	<u>(490,270)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(215,741)</u>	<u>(215,741)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,478,339</u>	<u>1,478,339</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,262,598</u>	<u>\$ 1,262,598</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (215,741)
Adjustments to revenues for excise taxes				118,184
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (97,557)</u>

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

STATE OF NEW MEXICO

Statement B-12

McKinley County

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

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	3,000,000	3,000,000	3,090,945	90,945
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	234,202	234,202	145,476	(88,726)
State capital grants	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,234,202</u>	<u>3,234,202</u>	<u>3,236,421</u>	<u>2,219</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	837,779	843,763	388,129	455,634
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	603,923	603,923	530,253	73,670
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,441,702</u>	<u>1,447,686</u>	<u>918,382</u>	<u>529,304</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,792,500</u>	<u>1,786,516</u>	<u>2,318,039</u>	<u>531,523</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,337,500	843,484	-	(843,484)
Transfers in	(250,000)	250,000	265,733	15,733
Transfers (out)	(2,880,000)	(2,880,000)	(2,895,733)	(15,733)
<i>Total other financing sources (uses)</i>	<u>(1,792,500)</u>	<u>(1,786,516)</u>	<u>(2,630,000)</u>	<u>(843,484)</u>
<i>Net change in fund balance</i>	-	-	(311,961)	(311,961)
<i>Fund balance - beginning of year</i>	-	-	3,176,942	3,176,942
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,864,981</u>	<u>\$ 2,864,981</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (311,961)
Adjustments to revenues for gross receipts taxes				220,885
Adjustments to expenditures for professional services				12,276
<i>Net change in fund balance (GAAP)</i>				<u>\$ (78,800)</u>

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

STATE OF NEW MEXICO
 McKinley County
 Intergovernmental Grants Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-13

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal operating grants	-	-	-	-
State operating grants	1,132,978	1,132,978	129,665	(1,003,313)
State capital grants	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,265,956</u>	<u>2,265,956</u>	<u>130,482</u>	<u>(2,135,474)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,071,131	1,071,131	55,165	1,015,966
Capital outlay	65,000	65,000	-	65,000
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,136,131</u>	<u>1,136,131</u>	<u>55,165</u>	<u>1,080,966</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,129,825</u>	<u>1,129,825</u>	<u>75,317</u>	<u>(1,054,508)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(1,129,825)	(1,129,825)	-	1,129,825
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1,129,825)</u>	<u>(1,129,825)</u>	<u>-</u>	<u>1,129,825</u>
<i>Net change in fund balance</i>	-	-	75,317	75,317
<i>Fund balance - beginning of year</i>	-	-	342,602	342,602
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,919</u>	<u>\$ 417,919</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 75,317
Adjustments to revenues for state operating grants				(12,500)
Adjustments to expenditures for professional services				11,596
<i>Net change in fund balance (GAAP)</i>				<u>\$ 74,413</u>

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

STATE OF NEW MEXICO
 McKinley County
 Senior Citizens Center Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-14

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	41,450	41,450	34,157	7,293
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>41,450</u>	<u>41,450</u>	<u>34,157</u>	<u>7,293</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(41,450)</u>	<u>(41,450)</u>	<u>(34,157)</u>	<u>7,293</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	6,450	6,450	-	(6,450)
Transfers in	35,000	35,000	35,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>41,450</u>	<u>41,450</u>	<u>35,000</u>	<u>(6,450)</u>
<i>Net change in fund balance</i>	-	-	843	843
<i>Fund balance - beginning of year</i>	-	-	8,764	8,764
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,607</u>	<u>\$ 9,607</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 843
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance				1,030
<i>Net change in fund balance (GAAP)</i>				<u>\$ 1,873</u>

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

STATE OF NEW MEXICO
 McKinley County
 Fire Excise Tax Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-15

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,250,000	1,250,000	1,226,508	(23,492)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Investment income	-	-	11,089	11,089
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,237,597</u>	<u>(12,403)</u>
<i>Expenditures:</i>				
Current:				
General government	958,350	963,429	629,806	333,623
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,480,000	3,660,040	1,997,738	1,662,302
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,438,350</u>	<u>4,623,469</u>	<u>2,627,544</u>	<u>1,995,925</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,188,350)</u>	<u>(3,373,469)</u>	<u>(1,389,947)</u>	<u>1,983,522</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,188,350	3,373,469	-	(3,373,469)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,188,350</u>	<u>3,373,469</u>	<u>-</u>	<u>(3,373,469)</u>
<i>Net change in fund balance</i>	-	-	(1,389,947)	(1,389,947)
<i>Fund balance - beginning of year</i>	-	-	4,502,278	4,502,278
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,112,331</u>	<u>\$ 3,112,331</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,389,947)
Adjustments to revenues for gross receipts taxes				63,533
Adjustments to expenditures for repairs and maintenance and capital outlay				6,775
<i>Net change in fund balance (GAAP)</i>				<u>\$ (1,319,639)</u>

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

STATE OF NEW MEXICO

Statement B-16

McKinley County

Local DWI Program Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	868,546	868,546	971,359	102,813
State capital grants	-	-	-	-
Charges for services	114,500	114,500	114,762	262
Miscellaneous	-	-	69	69
<i>Total revenues</i>	<u>983,046</u>	<u>983,046</u>	<u>1,086,190</u>	<u>103,144</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,068,653	1,078,293	916,445	161,848
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,068,653</u>	<u>1,078,293</u>	<u>916,445</u>	<u>161,848</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(85,607)</u>	<u>(95,247)</u>	<u>169,745</u>	<u>264,992</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	85,607	95,247	-	(95,247)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>85,607</u>	<u>95,247</u>	<u>-</u>	<u>(95,247)</u>
<i>Net change in fund balance</i>	-	-	169,745	169,745
<i>Fund balance - beginning of year</i>	-	-	314,009	314,009
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 483,754</u>	<u>\$ 483,754</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 169,745
Adjustments to revenues for state operating grants				53,657
Adjustments to expenditures for repairs and maintenance				(507)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 222,895</u>

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

STATE OF NEW MEXICO
 McKinley County
 Public Defenders Building Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-17

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	37,740	37,740	38,495	755
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>37,740</u>	<u>37,740</u>	<u>38,495</u>	<u>755</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	37,740	37,740	30,592	7,148
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>37,740</u>	<u>37,740</u>	<u>30,592</u>	<u>7,148</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>7,903</u>	<u>7,903</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>7,903</u>	<u>7,903</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>110,784</u>	<u>110,784</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,687</u>	<u>\$ 118,687</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 7,903
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance				730
<i>Net change in fund balance (GAAP)</i>				<u>\$ 8,633</u>

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

STATE OF NEW MEXICO

Statement B-18

McKinley County

Clerk Recording & Filing Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	10,000	10,000	21,962	11,962
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>21,962</u>	<u>11,962</u>
<i>Expenditures:</i>				
Current:				
General government	8,000	8,000	7,718	282
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,000</u>	<u>8,000</u>	<u>7,718</u>	<u>282</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,000</u>	<u>2,000</u>	<u>14,244</u>	<u>12,244</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(2,000)	(2,000)	-	2,000
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>	<u>2,000</u>
<i>Net change in fund balance</i>	-	-	14,244	14,244
<i>Fund balance - beginning of year</i>	-	-	65,007	65,007
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,251</u>	<u>\$ 79,251</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 14,244
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 14,244</u>

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

STATE OF NEW MEXICO
 McKinley County
 Magistrate Court Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-19

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	134,206	134,206	187,890	53,684
State capital grants	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	84	84
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>134,206</u>	<u>134,206</u>	<u>187,974</u>	<u>53,768</u>
<i>Expenditures:</i>				
Current:				
General government	134,206	134,206	125,066	9,140
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>134,206</u>	<u>134,206</u>	<u>125,066</u>	<u>9,140</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>62,908</u>	<u>62,908</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>62,908</u>	<u>62,908</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>350,829</u>	<u>350,829</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 413,737</u>	<u>\$ 413,737</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 62,908
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance				2,423
<i>Net change in fund balance (GAAP)</i>				<u>\$ 65,331</u>

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

STATE OF NEW MEXICO
 McKinley County
 Sheriff's Grants Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-20

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	506,112	506,112	310,024	(196,088)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	1,135	1,135
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>506,112</u>	<u>506,112</u>	<u>311,159</u>	<u>(194,953)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	506,112	506,112	378,800	127,312
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>506,112</u>	<u>506,112</u>	<u>378,800</u>	<u>127,312</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(67,641)</u>	<u>(67,641)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(67,641)</u>	<u>(67,641)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>646,208</u>	<u>646,208</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 578,567</u>	<u>\$ 578,567</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (67,641)
Adjustments to revenues for state and federal operating grants				26,211
Adjustments to expenditures for contract services				11,127
<i>Net change in fund balance (GAAP)</i>				<u>\$ (30,303)</u>

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

STATE OF NEW MEXICO

Statement B-21

McKinley County

Narcotic Drug Control & K-9 Drug Unit Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	84,500	84,500	30,189	54,311
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>84,500</u>	<u>84,500</u>	<u>30,189</u>	<u>54,311</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(84,500)</u>	<u>(84,500)</u>	<u>(30,189)</u>	<u>54,311</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	54,500	54,500	-	(54,500)
Loan proceeds	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Transfers in	30,000	30,000	30,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>84,500</u>	<u>84,500</u>	<u>30,000</u>	<u>(54,500)</u>
<i>Net change in fund balance</i>	-	-	(189)	(189)
<i>Fund balance - beginning of year</i>	-	-	221,388	221,388
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,199</u>	<u>\$ 221,199</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (189)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (189)</u>

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

STATE OF NEW MEXICO

Statement B-22

McKinley County

Federal Office of Justice - Law Enforcement Grant Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	23,576	23,004	(572)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	363	363
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>23,576</u>	<u>23,367</u>	<u>(209)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	14,729	14,729	-
Public works	-	-	-	-
Capital outlay	-	8,848	8,848	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>23,577</u>	<u>23,577</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(1)</u>	<u>(210)</u>	<u>(209)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	1	-	(1)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(210)</u>	<u>(210)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>173,776</u>	<u>173,776</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,566</u>	<u>\$ 173,566</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (210)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (210)</u>

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

STATE OF NEW MEXICO

Statement B-23

McKinley County

Law Enforcement Seizures Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	47,174	255	46,919
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>47,174</u>	<u>255</u>	<u>46,919</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(47,174)</u>	<u>(255)</u>	<u>46,919</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	47,174	-	(47,174)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>47,174</u>	<u>-</u>	<u>(47,174)</u>
<i>Net change in fund balance</i>	-	-	(255)	(255)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>47,174</u>	<u>47,174</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,919</u>	<u>\$ 46,919</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (255)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (255)</u>

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

STATE OF NEW MEXICO

Statement B-24

McKinley County

Misdemeanor Compliance Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	343,627	343,627	418,465	74,838
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>343,627</u>	<u>343,627</u>	<u>418,465</u>	<u>74,838</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	383,589	383,589	348,140	35,449
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>383,589</u>	<u>383,589</u>	<u>348,140</u>	<u>35,449</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(39,962)</u>	<u>(39,962)</u>	<u>70,325</u>	<u>110,287</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	39,962	39,962	-	(39,962)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>39,962</u>	<u>39,962</u>	<u>-</u>	<u>(39,962)</u>
<i>Net change in fund balance</i>	-	-	70,325	70,325
<i>Fund balance - beginning of year</i>	-	-	162,239	162,239
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,564</u>	<u>\$ 232,564</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 70,325
Adjustments to revenues for charges for service				1,280
Adjustments to expenditures for equipment				(597)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 71,008</u>

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

STATE OF NEW MEXICO
 McKinley County
 Emergency Management Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-25

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	3,560,592	3,560,592	10,194	(3,550,398)
State operating grants	699,435	699,435	232,345	(467,090)
State capital grants	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	1,408	1,408
Miscellaneous	-	-	2,330	2,330
<i>Total revenues</i>	<u>4,260,027</u>	<u>4,260,027</u>	<u>246,277</u>	<u>(4,013,750)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	4,521,923	4,521,923	771,504	3,750,419
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	97,810	97,810	7,810	90,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,619,733</u>	<u>4,619,733</u>	<u>779,314</u>	<u>3,840,419</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(359,706)</u>	<u>(359,706)</u>	<u>(533,037)</u>	<u>(173,331)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(110,294)	(110,294)	-	110,294
Transfers in	470,000	470,000	522,000	52,000
Transfers (out)	-	-	(1,300,000)	(1,300,000)
<i>Total other financing sources (uses)</i>	<u>359,706</u>	<u>359,706</u>	<u>(778,000)</u>	<u>(1,137,706)</u>
<i>Net change in fund balance</i>	-	-	(1,311,037)	(1,311,037)
<i>Fund balance - beginning of year</i>	-	-	2,042,178	2,042,178
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 731,141</u>	<u>\$ 731,141</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,311,037)
Adjustments to revenues for federal and state operating grants				(69,717)
Adjustments to expenditures for equipment				(49,201)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (1,429,955)</u>

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

STATE OF NEW MEXICO

Statement B-26

McKinley County

Forest Reserve Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	102,604	102,604	71,575	(31,029)
State operating grants	-	-	-	-
Investment income	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	60	60
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>102,604</u>	<u>102,604</u>	<u>71,635</u>	<u>(30,969)</u>
<i>Expenditures:</i>				
Current:				
General government	152,604	152,604	135,114	17,490
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>152,604</u>	<u>152,604</u>	<u>135,114</u>	<u>17,490</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(63,479)</u>	<u>(13,479)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	50,000	50,000	-	(50,000)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
<i>Net change in fund balance</i>	-	-	(63,479)	(63,479)
<i>Fund balance - beginning of year</i>	-	-	373,125	373,125
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309,646</u>	<u>\$ 309,646</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (63,479)
Adjustments to revenues for federal operating grants				16,702
Adjustments to expenditures for professional services				66,497
<i>Net change in fund balance (GAAP)</i>				<u>\$ 19,720</u>

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

STATE OF NEW MEXICO
 McKinley County
 JSAAC Center Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-27

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal operating grants	160,583	160,583	130,950	(29,633)
State operating grants	496,286	496,286	372,679	(123,607)
State capital grants	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	681	681
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>656,869</u>	<u>656,869</u>	<u>504,310</u>	<u>(152,559)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	60,000	60,000	45,703	14,297
Public safety	680,407	680,407	495,499	184,908
Public works	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>740,407</u>	<u>740,407</u>	<u>541,202</u>	<u>199,205</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(83,538)</u>	<u>(83,538)</u>	<u>(36,892)</u>	<u>46,646</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	19,305	19,305	-	(19,305)
Transfers in	64,233	64,233	64,233	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>83,538</u>	<u>83,538</u>	<u>64,233</u>	<u>(19,305)</u>
<i>Net change in fund balance</i>	-	-	27,341	27,341
<i>Fund balance - beginning of year</i>	-	-	319,870	319,870
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347,211</u>	<u>\$ 347,211</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 27,341
Adjustments to revenues for state and federal operating grants and investments				(24,541)
Adjustments to expenditures for salaries and professional services				1,101
<i>Net change in fund balance (GAAP)</i>				<u>\$ 3,901</u>

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

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

Statement B-28

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	91	91
Miscellaneous	-	-	-	-
Total revenues	-	-	264	264
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	264	264
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
<i>Net change in fund balance</i>	-	-	264	264
<i>Fund balance - beginning of year</i>	-	-	50,725	50,725
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 50,989	\$ 50,989
Net change in fund balance (non-GAAP budgetary basis)				\$ 264
Adjustments to revenues for investments				(91)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				\$ 173

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

STATE OF NEW MEXICO
 McKinley County
 Rural Public Safety Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-29

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	765,000	765,000	772,822	7,822
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	920	920
Miscellaneous	500	500	432	(68)
<i>Total revenues</i>	<u>765,500</u>	<u>765,500</u>	<u>774,174</u>	<u>8,674</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	418,850	418,850	186,548	232,302
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,160,168	1,160,168	705,197	454,971
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,579,018</u>	<u>1,579,018</u>	<u>891,745</u>	<u>687,273</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(813,518)</u>	<u>(813,518)</u>	<u>(117,571)</u>	<u>695,947</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,193,518	1,193,518	-	(1,193,518)
Transfers in	-	-	1,300,000	1,300,000
Transfers (out)	(380,000)	(380,000)	(639,537)	(259,537)
<i>Total other financing sources (uses)</i>	<u>813,518</u>	<u>813,518</u>	<u>660,463</u>	<u>(153,055)</u>
<i>Net change in fund balance</i>	-	-	542,892	542,892
<i>Fund balance - beginning of year</i>	-	-	2,317,766	2,317,766
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,860,658</u>	<u>\$ 2,860,658</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 542,892
Adjustments to revenues for gross receipts taxes				55,146
Adjustments to expenditures for capital outlay				(375,240)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 222,798</u>

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

STATE OF NEW MEXICO

Statement B-30

McKinley County

Capital Projects Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	2,100,000	2,100,000	2,431,241	331,241
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	13,490	(13,490)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,100,000</u>	<u>2,100,000</u>	<u>2,444,731</u>	<u>317,751</u>
<i>Expenditures:</i>				
Current:				
General government	1,972,500	1,972,500	1,129,866	842,634
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	100,000	100,000	212,270	(112,270)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,072,500</u>	<u>2,072,500</u>	<u>1,342,136</u>	<u>730,364</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>27,500</u>	<u>27,500</u>	<u>1,102,595</u>	<u>1,048,115</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,126,314	2,125,114	-	(2,125,114)
Transfers in	(600)	600	-	(600)
Transfers (out)	(2,153,214)	(2,153,214)	(2,153,214)	-
<i>Total other financing sources (uses)</i>	<u>(27,500)</u>	<u>(27,500)</u>	<u>(2,153,214)</u>	<u>(2,125,714)</u>
<i>Net change in fund balance</i>	-	-	(1,050,619)	(1,050,619)
<i>Fund balance - beginning of year</i>	-	-	4,592,759	4,592,759
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,542,140</u>	<u>\$ 3,542,140</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,050,619)
Adjustments to revenues for GRT capital projects revenues				190,982
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (859,637)</u>

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

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

Statement B-31

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	29,445	29,445	86,092	56,647
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>29,445</u>	<u>29,445</u>	<u>86,092</u>	<u>56,647</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>29,445</u>	<u>29,445</u>	<u>86,092</u>	<u>56,647</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(29,445)	(29,445)	-	29,445
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(29,445)</u>	<u>(29,445)</u>	<u>-</u>	<u>29,445</u>
<i>Net change in fund balance</i>	-	-	86,092	86,092
<i>Fund balance - beginning of year</i>	-	-	390,015	390,015
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 476,107</u>	<u>\$ 476,107</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 86,092
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 86,092</u>

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

STATE OF NEW MEXICO

Statement B-32

McKinley County

CDBG/ Gameraico Water System Phase III Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	500,000	500,000	5,000	(495,000)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>500,000</u>	<u>500,000</u>	<u>5,000</u>	<u>(495,000)</u>
<i>Expenditures:</i>				
Current:				
General government	667,554	667,554	20,245	647,309
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>667,554</u>	<u>667,554</u>	<u>20,245</u>	<u>647,309</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(167,554)</u>	<u>(167,554)</u>	<u>(15,245)</u>	<u>152,309</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	164,554	164,554	-	(164,554)
Transfers in	3,000	3,000	3,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>167,554</u>	<u>167,554</u>	<u>3,000</u>	<u>(164,554)</u>
<i>Net change in fund balance</i>	-	-	(12,245)	(12,245)
<i>Fund balance - beginning of year</i>	-	-	657,553	657,553
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 645,308</u>	<u>\$ 645,308</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (12,245)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (12,245)</u>

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

STATE OF NEW MEXICO

Statement B-33

McKinley County

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

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	199,785	199,785	199,784	1
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>199,785</u>	<u>199,785</u>	<u>199,784</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(199,785)</u>	<u>(199,785)</u>	<u>(199,784)</u>	<u>1</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	199,185	199,185	-	(199,185)
Transfers in	-	-	-	-
Transfers (out)	600	600	-	(600)
<i>Total other financing sources (uses)</i>	<u>199,785</u>	<u>199,785</u>	<u>-</u>	<u>(199,785)</u>
<i>Net change in fund balance</i>	-	-	(199,784)	(199,784)
<i>Fund balance - beginning of year</i>	-	-	200,384	200,384
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ 600</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (199,784)
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance				141,722
<i>Net change in fund balance (GAAP)</i>				<u>\$ (58,062)</u>

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

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

Statement B-34

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	475,000	475,000	459,937	(15,063)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	425,000	425,000	-	(425,000)
State capital grants	-	-	-	-
Miscellaneous	-	-	625	625
<i>Total revenues</i>	<u>900,000</u>	<u>900,000</u>	<u>460,562</u>	<u>(439,438)</u>
<i>Expenditures:</i>				
Current:				
General government	16,525	16,525	3,297	13,228
Public safety	-	-	-	-
Public works	273,700	279,067	99,013	180,054
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	891,620	891,620	556,166	335,454
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,181,845</u>	<u>1,187,212</u>	<u>658,476</u>	<u>528,736</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(281,845)</u>	<u>(287,212)</u>	<u>(197,914)</u>	<u>89,298</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	281,845	287,212	-	(287,212)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>281,845</u>	<u>287,212</u>	<u>-</u>	<u>(287,212)</u>
<i>Net change in fund balance</i>	-	-	(197,914)	(197,914)
<i>Fund balance - beginning of year</i>	-	-	2,452,678	2,452,678
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,254,764</u>	<u>\$ 2,254,764</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (197,914)
Adjustments to revenue for gross receipt taxes				23,825
Adjustments to expenditures for repairs and maintenance				15,516
<i>Net change in fund balance (GAAP)</i>				<u>\$ (158,573)</u>

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

STATE OF NEW MEXICO

Statement B-35

McKinley County

State Projects Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	50,000	50,000	-	(50,000)
Intergovernmental:				
State operating grants	100,000	100,000	100,000	-
Charges for services	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	27,745	(27,745)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>150,000</u>	<u>150,000</u>	<u>127,745</u>	<u>(77,745)</u>
<i>Expenditures:</i>				
Current:				
General government	150,000	136,230	129,344	6,886
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>150,000</u>	<u>136,230</u>	<u>129,344</u>	<u>6,886</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>13,770</u>	<u>(1,599)</u>	<u>(70,859)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(13,770)	-	13,770
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(13,770)</u>	<u>-</u>	<u>13,770</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(1,599)</u>	<u>(1,599)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,801,639</u>	<u>1,801,639</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,800,040</u>	<u>\$ 1,800,040</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,599)
Adjustments to revenues for operating grants				24,810
Adjustments to expenditures for construction expenditures and general government expenditures				9,788
<i>Net change in fund balance (GAAP)</i>				<u>\$ 32,999</u>

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

STATE OF NEW MEXICO

Statement B-36

McKinley County

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

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>303,589</u>	<u>303,589</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,589</u>	<u>\$ 303,589</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

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

Statement B-37

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,329,664	1,329,664	1,308,029	21,635
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>1,329,664</u>	<u>1,329,664</u>	<u>1,308,029</u>	<u>21,635</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,329,664)</u>	<u>(1,329,664)</u>	<u>(1,308,029)</u>	<u>21,635</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,329,664	1,329,664	-	(1,329,664)
Transfers in	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,329,664</u>	<u>1,329,664</u>	<u>-</u>	<u>(1,329,664)</u>
<i>Net change in fund balance</i>	-	-	(1,308,029)	(1,308,029)
<i>Fund balance - beginning of year</i>	-	-	1,397,984	1,397,984
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,955</u>	<u>\$ 89,955</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,308,029)
No adjustments to revenues				-
Adjustments to expenditures for capital outlay expenditures and general government expenditures				<u>275,633</u>
<i>Net change in fund balance (GAAP)</i>				<u>\$ (1,032,396)</u>

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

STATE OF NEW MEXICO

Statement B-38

McKinley County

General Obligation Bonds Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
Adjustments to revenues for property taxes				-
Adjustments to expenditures for debt service				(30)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (30)</u>

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

STATE OF NEW MEXICO

Statement B-39

McKinley County

Law Enforcement JDC Bonds Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	300,000	300,000	300,000	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	319,289	319,289	319,290	1
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>619,289</u>	<u>619,289</u>	<u>619,290</u>	<u>1</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	315,000	315,000	315,000	-
Interest	386,344	386,344	386,344	-
<i>Total expenditures</i>	<u>701,344</u>	<u>701,344</u>	<u>701,344</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(82,055)</u>	<u>(82,055)</u>	<u>(82,054)</u>	<u>1</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	82,055	82,055	-	(82,055)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>82,055</u>	<u>82,055</u>	<u>-</u>	<u>(82,055)</u>
<i>Net change in fund balance</i>	-	-	(82,054)	(82,054)
<i>Fund balance - beginning of year</i>	-	-	834,618	834,618
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 752,564</u>	<u>\$ 752,564</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (82,054)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (82,054)</u>

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

STATE OF NEW MEXICO
 McKinley County
 Judicial Complex Debt Service Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-40

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	120,000	120,000	120,000	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	384,608	384,608	384,608	-
<i>Total revenues</i>	<u>504,608</u>	<u>504,608</u>	<u>504,608</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	270,000	270,000	270,000	-
Interest	214,100	214,100	214,100	-
<i>Total expenditures</i>	<u>484,100</u>	<u>484,100</u>	<u>484,100</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>20,508</u>	<u>20,508</u>	<u>20,508</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(20,508)	(20,508)	-	20,508
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(20,508)</u>	<u>(20,508)</u>	<u>-</u>	<u>20,508</u>
<i>Net change in fund balance</i>	-	-	20,508	20,508
<i>Fund balance - beginning of year</i>	-	-	578,601	578,601
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 599,109</u>	<u>\$ 599,109</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 20,508
Adjustments to revenue for gross receipt taxes				(10,000)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 10,508</u>

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

STATE OF NEW MEXICO
 McKinley County
 Energy Efficiency Revenue Bond Debt Service Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2016

Statement B-41

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	360,000	360,000	360,000	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	190,000	190,000	190,000	-
Interest	64,395	64,395	64,395	-
<i>Total expenditures</i>	<u>254,395</u>	<u>254,395</u>	<u>254,395</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>105,605</u>	<u>105,605</u>	<u>105,605</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(105,605)	(105,605)	-	105,605
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(105,605)</u>	<u>(105,605)</u>	<u>-</u>	<u>105,605</u>
<i>Net change in fund balance</i>	-	-	105,605	105,605
<i>Fund balance - beginning of year</i>	-	-	124,990	124,990
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,595</u>	<u>\$ 230,595</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 105,605
Adjustments to revenue for gross receipt taxes				30,000
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 135,605</u>

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

SUPPORTING SCHEDULES

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

Schedule III

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2016	Location of Safekeeper
Pinnacle Bank					
	FNMA 257504, 5.00%	12/1/2018	31371PAD2	\$ 134,680	Federal Reserve Bank of Kansas City
	FHLMC 3564 LA, 4.00%	8/15/2019	31398JEB5	261,512	Federal Reserve Bank of Kansas City
	FHLB Bonds, 2.00%	9/9/2016	313370TW8	5,015,550	Federal Reserve Bank of Kansas City
	FHLB Bonds, 1.87%	6/12/2020	313383HB4	5,172,950	Federal Reserve Bank of Kansas City
	FNMA 238817 ARM, 5.74%	11/1/2024	3137ORG27	106,403	Federal Reserve Bank of Kansas City
	FHLMC G11533, 5.00%	3/1/2019	31283KV21	226,667	Federal Reserve Bank of Kansas City
	FNMA 10 137 BJ, 2.00%	12/25/2025	31398SRD7	2,845,836	Federal Reserve Bank of Kansas City
	FHLMC 3758 CH, 1.50%	9/15/2018	3137A3CE7	693,182	Federal Reserve Bank of Kansas City
	FHLMC 3884 DJ, 2.50%	2/15/2025	3137ABVT5	1,119,592	Federal Reserve Bank of Kansas City
	CORRALES NM GO, 4.00%	8/1/2016	22025PBG3	75,213	Federal Reserve Bank of Kansas City
	FNMA 14 M8, 2.34%	6/25/2024	3136AKQLO	5,870,788	Federal Reserve Bank of Kansas City
	FHLMC 3989 KQ, 2.00%	5/15/2040	313AKHYO	2,903,575	Federal Reserve Bank of Kansas City
	FHHS K028 A1, 2.18%	11/25/2022	3137B2HH5	4,103,114	Federal Reserve Bank of Kansas City
	FHHS K020 A1, 1.57%	1/25/2022	3137ASR97	2,571,831	Federal Reserve Bank of Kansas City
	Total Pinnacle Bank			<u>\$ 31,100,893</u>	
Washington Federal					
	FHLMC GOLD PC A94288, 2.50%	8/20/2061	3620E0NW2	\$ 1,842,758	Federal Home Loan Bank - Seattle WA
	Total Washington Federal			<u>\$ 1,842,758</u>	
Wells Fargo					
	FNMA FNMS, 3.00%	6/1/2043	3138WU4Q3	\$ 6,848,167	Bank of New York Mellon, New York, NY
	Total Wells Fargo			<u>\$ 6,848,167</u>	
	Total pledged collateral			<u><u>\$ 39,791,818</u></u>	

See independent auditors' report.

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

Bank Account Type/Name	US Bank	Pinnacle Bank	Washington Federal Bank	Wells Fargo Bank	First Financial Credit Union
Treasury Note, 8.75%	\$ 499,673	\$ -	\$ -	\$ -	\$ -
Treasury Note, 8.75%	994,329	-	-	-	-
Checking - Seizure	-	47,142	-	-	-
Checking - CDBG	-	578,451	-	-	-
Checking - Operational	-	4,778,858	-	-	-
Checking - Payroll Warrant Account	-	298,693	-	-	-
Checking - Accounts Payable Warrant Account	-	(249,242)	-	-	-
Certificate of Deposit	-	1,000,000	-	-	-
Certificate of Deposit	-	1,000,000	-	-	-
Certificate of Deposit	-	1,000,000	1,000,369	-	-
Certificate of Deposit	-	2,000,000	1,000,342	-	-
Savings	-	-	-	6,365,325	-
Certificate of Deposit	-	-	-	-	99,218
Federal Home Loan Banks 1.00%	-	-	-	-	-
Federal Home Loan Banks 1.59%	-	-	-	-	-
Federal Home Loan Banks 1.00%	-	-	-	-	-
Federal Home Loan Banks 2.33%	-	-	-	-	-
Federal Home Loan Banks 1.25%	-	-	-	-	-
Federal Home Loan Banks 1.25%	-	-	-	-	-
Federal Home Loan Banks 1.50%	-	-	-	-	-
Federal Home Loan Banks 0.70%	-	-	-	-	-
Federal Home Loan Banks cash	-	-	-	-	-
FNMA	1,000,240	-	-	-	-
FHLMC MTN	1,003,180	-	-	-	-
FHLMC MNT	3,000,840	-	-	-	-
Federal Home Loan MtG Corp, 1.750% Checking	-	-	-	-	-
Federal Home Loan MtG Corp, 2.000%	1,000,580	-	-	-	-
State Treasurer's Pool (LGIP Fund), .1322%	-	-	-	-	-
Program Funds New Grant Closing McKinley 4	-	-	-	-	-
Total	7,498,842	10,453,902	2,000,711	6,365,325	99,218
Reconciling items	-	(1,191,501)	-	-	-
<i>Reconciled balance</i>	<u><u>\$ 7,498,842</u></u>	<u><u>\$ 9,262,401</u></u>	<u><u>\$ 2,000,711</u></u>	<u><u>\$ 6,365,325</u></u>	<u><u>\$ 99,218</u></u>

Petty cash

Less: investments per Exhibit A-1

Less: restricted cash and cash equivalents per Exhibit A-1

Less: agency funds cash and investments per Exhibit D-1

Total unrestricted cash and cash equivalents per Exhibit A-1

See independent auditors' report.

Financial Services Corp.	PiperJaffray	Shearson Financial Services, LLC	State Treasurer's Pool	NMFA	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 499,673
-	-	-	-	-	994,329
-	-	-	-	-	47,142
-	-	-	-	-	578,451
-	-	-	-	-	4,778,858
-	-	-	-	-	298,693
-	-	-	-	-	(249,242)
-	-	-	-	-	1,000,000
-	-	-	-	-	1,000,000
-	-	-	-	-	2,000,369
-	-	-	-	-	3,000,342
-	-	-	-	-	6,365,325
-	-	-	-	-	99,218
7,001,540	-	-	-	-	7,001,540
2,008,720	-	-	-	-	2,008,720
3,501,680	-	-	-	-	3,501,680
2,004,540	-	-	-	-	2,004,540
1,499,070	-	-	-	-	1,499,070
1,998,560	-	-	-	-	1,998,560
999,060	-	-	-	-	999,060
5,000,600	-	-	-	-	5,000,600
6,250	-	-	-	-	6,250
-	-	-	-	-	1,000,240
-	-	-	-	-	1,003,180
-	-	-	-	-	3,000,840
-	2,000,920	-	-	-	2,000,920
-	2,018,750	2,006,875	-	-	4,025,625
-	-	-	-	-	1,000,580
-	-	-	8,008,833	-	8,008,833
-	-	-	-	50,000	50,000
24,020,020	4,019,670	2,006,875	8,008,833	50,000	64,523,396
-	-	-	-	-	(1,191,501)
<u>\$ 24,020,020</u>	<u>\$ 4,019,670</u>	<u>\$ 2,006,875</u>	<u>\$ 8,008,833</u>	<u>\$ 50,000</u>	<u>63,331,895</u>
					1,450
					(33,513,532)
					(778,256)
					(952,193)
					<u>\$ 28,089,364</u>

See independent auditors' report.

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

Schedule V

Property taxes receivable - beginning of year	\$	1,720,730
Changes to tax roll:		
Net tax charges to treasurer for fiscal year		28,529,648
Adjustments:		
Net decrease in taxes receivable		<u>(9,068)</u>
Total receivable prior to collections		30,241,310
Collections and adjustments for fiscal year ended June 30, 2016		<u>(26,921,564)</u>
<i>Property taxes receivable - end of year</i>	\$	<u><u>3,319,746</u></u>
Property taxes receivable are reported as follows:		
General Fund	\$	998,633
Debt Service Fund		638
Agency Funds		<u>2,320,475</u>
<i>Total property taxes receivable</i>	\$	<u><u>3,319,746</u></u>
Property taxes receivable by year:		
2006	\$	6,857
2007		7,236
2008		9,465
2009		50,769
2010		28,829
2011		31,787
2012		48,251
2013		168,298
2014		401,520
2015		<u>2,566,734</u>
<i>Total property taxes receivable</i>	\$	<u><u>3,319,746</u></u>

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McKinley County

McKinley County Treasurer Property Tax Schedule

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
001 STATE DEBT SERVICE							
STATE DEBT SERVICE 2006	\$ 282,679	\$ 282,673	\$ -	\$ 282,673	\$ -	\$ 282,673	\$ 6
STATE DEBT SERVICE 2007	288,873	288,853	10	288,863	10	288,863	10
STATE DEBT SERVICE 2008	303,741	303,694	23	303,717	23	303,717	24
STATE DEBT SERVICE 2009	295,627	295,349	145	295,494	158	295,493	133
STATE DEBT SERVICE 2010	1,125,856	1,124,037	620	1,124,657	656	1,124,650	1,199
STATE DEBT SERVICE 2011	1,038,225	1,036,048	978	1,037,026	1,149	1,037,022	1,199
STATE DEBT SERVICE 2012	1,043,396	1,039,468	1,943	1,041,411	4,395	1,041,399	1,985
STATE DEBT SERVICE 2013	1,130,062	1,114,432	9,154	1,123,586	8,787	1,121,530	6,476
STATE DEBT SERVICE 2014	1,135,754	1,093,952	25,293	1,119,245	37,216	1,118,102	16,509
STATE DEBT SERVICE 2015	1,133,660	9	1,029,133	1,029,142	1,016,958	1,016,966	104,518
Total	\$ 7,777,873	\$ 6,578,515	\$ 1,067,299	\$ 7,645,814	\$ 1,069,352	\$ 7,630,415	\$ 132,059
002 COUNTY OPERATIONAL- RES							
COUNTY OPERATIONAL - RES 2006	\$ 1,151,517	\$ 1,151,492	\$ -	\$ 1,151,492	\$ -	\$ 1,151,492	\$ 25
COUNTY OPERATIONAL - RES 2007	1,232,384	1,232,301	41	1,232,342	41	1,232,342	42
COUNTY OPERATIONAL - RES 2008	1,303,172	1,302,972	97	1,303,069	97	1,303,069	103
COUNTY OPERATIONAL - RES 2009	1,396,901	1,395,591	684	1,396,275	747	1,396,275	626
COUNTY OPERATIONAL - RES 2010	1,413,091	1,410,565	1,399	1,411,964	1,389	1,411,940	1,127
COUNTY OPERATIONAL - RES 2011	1,450,930	1,446,714	2,547	1,449,261	2,859	1,449,249	1,669
COUNTY OPERATIONAL - RES 2012	1,511,995	1,501,257	6,072	1,507,329	13,177	1,507,297	4,666
COUNTY OPERATIONAL - RES 2013	1,550,492	1,506,792	28,699	1,535,491	27,500	1,529,403	15,001
COUNTY OPERATIONAL - RES 2014	1,573,494	1,460,192	67,152	1,527,344	90,248	1,523,418	46,150
COUNTY OPERATIONAL - RES 2015	1,605,968	25	1,501,066	1,501,091	1,467,601	1,467,626	104,877
Total	\$ 14,189,944	\$ 12,407,901	\$ 1,607,757	\$ 14,015,658	\$ 1,603,659	\$ 13,972,111	\$ 174,286
003 COUNTY DEBT SERVICE							
COUNTY DEBT SERVICE 2006	\$ 254,652	\$ 254,646	\$ -	\$ 254,646	\$ -	\$ 254,646	\$ 6
COUNTY DEBT SERVICE 2007	250,546	250,529	8	250,537	8	250,537	9
COUNTY DEBT SERVICE 2008	197,553	197,523	15	197,538	15	197,538	15
COUNTY DEBT SERVICE 2009	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2010	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2011	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2012	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2013	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2014	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2015	-	-	-	-	-	-	-
Total	\$ 702,751	\$ 702,698	\$ 23	\$ 702,721	\$ 23	\$ 702,721	\$ 30

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
004 GALLUP MUNICIPAL OPERATIONAL - RES							
GALLUP MUNICIPAL OPERATIONAL - RES 2006	\$ 838,926	\$ 838,926	\$ -	\$ 838,926	\$ -	\$ 838,926	\$ -
GALLUP MUNICIPAL OPERATIONAL - RES 2007	897,390	897,357	18	897,375	18	897,375	15
GALLUP MUNICIPAL OPERATIONAL - RES 2008	949,682	949,634	-	949,634	-	949,634	48
GALLUP MUNICIPAL OPERATIONAL - RES 2009	1,019,193	1,018,682	247	1,018,929	307	1,018,929	264
GALLUP MUNICIPAL OPERATIONAL - RES 2010	1,030,371	1,028,979	779	1,029,758	777	1,029,751	613
GALLUP MUNICIPAL OPERATIONAL - RES 2011	1,057,498	1,055,193	1,370	1,056,563	1,427	1,056,563	935
GALLUP MUNICIPAL OPERATIONAL - RES 2012	1,102,966	1,097,227	2,992	1,100,219	7,633	1,100,215	2,747
GALLUP MUNICIPAL OPERATIONAL - RES 2013	1,129,478	1,104,129	17,469	1,121,598	16,803	1,118,223	7,880
GALLUP MUNICIPAL OPERATIONAL - RES 2014	1,147,417	1,079,126	43,156	1,122,282	59,760	1,119,969	25,135
GALLUP MUNICIPAL OPERATIONAL - RES 2015	1,169,657	16	1,107,257	1,107,273	1,084,279	1,084,295	62,384
Total	\$ 10,342,578	\$ 9,069,269	\$ 1,173,288	\$ 10,242,557	\$ 1,171,004	\$ 10,213,880	\$ 100,021
005 GALLUP MUNICIPAL DEBT SERVICE							
GALLUP MUNICIPAL DEBT SERVICE 2006	\$ 235,783	\$ 235,783	\$ -	\$ 235,783	\$ -	\$ 235,781	\$ -
GALLUP MUNICIPAL DEBT SERVICE 2007	404,806	404,791	8	404,799	8	404,796	7
GALLUP MUNICIPAL DEBT SERVICE 2008	416,001	415,980	-	415,980	-	415,975	21
GALLUP MUNICIPAL DEBT SERVICE 2009	440,625	440,404	107	440,511	133	440,511	114
GALLUP MUNICIPAL DEBT SERVICE 2010	441,162	440,567	333	440,900	333	440,896	262
GALLUP MUNICIPAL DEBT SERVICE 2011	284,819	284,199	369	284,568	384	284,568	251
GALLUP MUNICIPAL DEBT SERVICE 2012	348,444	346,631	945	347,576	2,411	347,575	868
GALLUP MUNICIPAL DEBT SERVICE 2013	303,538	296,726	4,695	301,421	4,516	300,514	2,117
GALLUP MUNICIPAL DEBT SERVICE 2014	227,927	214,361	8,573	222,934	11,871	222,475	4,993
GALLUP MUNICIPAL DEBT SERVICE 2015	303,116	4	286,945	286,949	280,990	280,995	16,167
Total	\$ 3,406,221	\$ 3,079,446	\$ 301,975	\$ 3,381,421	\$ 300,646	\$ 3,374,086	\$ 24,800
006 SCHOOL DISTRICT OPERATIONAL - RES							
SCHOOL DISTRICT OPERATIONAL - RES 2006	\$ 52,765	\$ 52,764	\$ -	\$ 52,764	\$ -	\$ 52,764	\$ 1
SCHOOL DISTRICT OPERATIONAL - RES 2007	56,540	56,536	2	56,538	2	56,538	2
SCHOOL DISTRICT OPERATIONAL - RES 2008	59,772	59,763	4	59,767	4	59,767	5
SCHOOL DISTRICT OPERATIONAL - RES 2009	64,005	63,946	31	63,977	34	63,977	28
SCHOOL DISTRICT OPERATIONAL - RES 2010	64,769	64,653	64	64,717	64	64,716	52
SCHOOL DISTRICT OPERATIONAL - RES 2011	66,449	66,255	117	66,372	131	66,372	77
SCHOOL DISTRICT OPERATIONAL - RES 2012	69,264	68,772	278	69,050	604	69,048	214
SCHOOL DISTRICT OPERATIONAL - RES 2013	70,918	68,919	1,313	70,232	1,258	69,953	686
SCHOOL DISTRICT OPERATIONAL - RES 2014	72,064	66,874	3,076	69,950	4,134	69,770	2,114
SCHOOL DISTRICT OPERATIONAL - RES 2015	73,466	1	68,667	68,668	67,139	67,140	4,798
Total	\$ 650,012	\$ 568,483	\$ 73,552	\$ 642,035	\$ 73,370	\$ 640,045	\$ 7,977

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
007 SCHOOL DISTRICT DEBT SERVICE							
SCHOOL DISTRICT DEBT SERVICE 2006	\$ 1,775,614	\$ 1,775,575	\$ -	\$ 1,775,575	\$ -	\$ 1,775,575	\$ 39
SCHOOL DISTRICT DEBT SERVICE 2007	1,919,276	1,919,147	64	1,919,211	64	1,919,211	65
SCHOOL DISTRICT DEBT SERVICE 2008	2,029,074	2,028,763	151	2,028,914	151	2,028,914	160
SCHOOL DISTRICT DEBT SERVICE 2009	2,147,653	2,145,640	1,052	2,146,692	1,149	2,146,692	961
SCHOOL DISTRICT DEBT SERVICE 2010	2,168,206	2,164,331	2,146	2,166,477	2,132	2,166,440	1,729
SCHOOL DISTRICT DEBT SERVICE 2011	2,194,386	2,188,009	3,852	2,191,861	4,324	2,191,844	2,525
SCHOOL DISTRICT DEBT SERVICE 2012	2,207,185	2,191,509	8,864	2,200,373	19,237	2,200,327	6,812
SCHOOL DISTRICT DEBT SERVICE 2013	2,204,802	2,142,657	40,812	2,183,469	39,108	2,174,812	21,333
SCHOOL DISTRICT DEBT SERVICE 2014	2,223,564	2,063,442	94,901	2,158,343	127,542	2,152,795	65,221
SCHOOL DISTRICT DEBT SERVICE 2015	2,214,629	35	2,069,962	2,069,997	2,023,908	2,023,942	144,632
Total	\$ 21,084,389	\$ 18,619,108	\$ 2,221,804	\$ 20,840,912	\$ 2,217,615	\$ 20,780,552	\$ 243,477
008 SCHOOL DIST. CAP. IMPROVEMENT - RES							
SCHOOL DIST. CAP. IMPROVEMENT 2006	\$ 437,882	\$ 437,873	\$ -	\$ 437,873	\$ -	\$ 437,873	\$ 9
SCHOOL DIST. CAP. IMPROVEMENT 2007	468,641	468,609	16	468,625	16	468,625	16
SCHOOL DIST. CAP. IMPROVEMENT 2008	485,948	485,873	36	485,909	36	485,909	39
SCHOOL DIST. CAP. IMPROVEMENT 2009	514,100	513,618	252	513,870	275	513,870	230
SCHOOL DIST. CAP. IMPROVEMENT 2010	518,152	517,226	513	517,739	509	517,730	413
SCHOOL DIST. CAP. IMPROVEMENT 2011	525,287	523,761	922	524,683	1,035	524,678	604
SCHOOL DIST. CAP. IMPROVEMENT 2012	528,730	524,976	2,123	527,099	4,608	527,088	1,631
SCHOOL DIST. CAP. IMPROVEMENT 2013	529,237	514,319	9,797	524,116	9,387	522,038	5,121
SCHOOL DIST. CAP. IMPROVEMENT 2014	533,805	495,365	22,783	518,148	30,619	516,815	15,657
SCHOOL DIST. CAP. IMPROVEMENT 2015	532,363	8	497,587	497,595	486,516	486,525	34,768
Total	\$ 5,074,145	\$ 4,481,628	\$ 534,029	\$ 5,015,657	\$ 533,001	\$ 5,001,151	\$ 58,488
009 GALLUP BRANCH COLLEGE - RES							
GALLUP BRANCH COLLEGE - RES 2006	\$ 437,922	\$ 437,913	\$ -	\$ 437,913	\$ -	\$ 437,913	\$ 9
GALLUP BRANCH COLLEGE - RES 2007	468,680	468,648	16	468,664	16	468,664	16
GALLUP BRANCH COLLEGE - RES 2008	485,986	485,912	36	485,948	36	485,948	38
GALLUP BRANCH COLLEGE - RES 2009	514,133	513,651	252	513,903	275	513,903	230
GALLUP BRANCH COLLEGE - RES 2010	518,185	517,259	513	517,772	509	517,763	413
GALLUP BRANCH COLLEGE - RES 2011	525,319	523,792	922	524,714	1,035	524,710	605
GALLUP BRANCH COLLEGE - RES 2012	528,762	525,007	2,123	527,130	4,608	527,119	1,632
GALLUP BRANCH COLLEGE - RES 2013	529,269	514,351	9,797	524,148	9,387	522,070	5,121
GALLUP BRANCH COLLEGE - RES 2014	533,840	495,400	22,783	518,183	30,619	516,851	15,657
GALLUP BRANCH COLLEGE - RES 2015	532,395	8	497,619	497,627	486,525	486,533	34,768
Total	\$ 5,074,491	\$ 4,481,941	\$ 534,061	\$ 5,016,002	\$ 533,010	\$ 5,001,474	\$ 58,489

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
010 GALLUP BRANCH DEBT SERVICE							
GALLUP BRANCH DEBT SERVICE 2006	\$ 437,922	\$ 437,913	\$ -	\$ 437,913	\$ -	\$ 437,913	\$ 9
GALLUP BRANCH DEBT SERVICE 2007	473,175	473,143	16	473,159	16	473,159	16
GALLUP BRANCH DEBT SERVICE 2008	485,986	485,912	36	485,948	36	485,948	38
GALLUP BRANCH DEBT SERVICE 2009	642,667	642,064	315	642,379	344	642,379	288
GALLUP BRANCH DEBT SERVICE 2010	647,731	646,574	641	647,215	637	647,204	516
GALLUP BRANCH DEBT SERVICE 2011	656,648	654,740	1,153	655,893	1,294	655,888	755
GALLUP BRANCH DEBT SERVICE 2012	880,389	874,137	3,535	877,672	7,673	877,653	2,717
GALLUP BRANCH DEBT SERVICE 2013	881,232	856,395	16,311	872,706	15,630	869,246	8,526
GALLUP BRANCH DEBT SERVICE 2014	734,030	681,175	31,326	712,501	42,101	710,670	21,529
GALLUP BRANCH DEBT SERVICE 2015	732,042	11	684,226	684,237	668,971	668,983	47,805
Total	\$ 6,571,822	\$ 5,752,064	\$ 737,559	\$ 6,489,623	\$ 736,702	\$ 6,469,043	\$ 82,199
011 REHOBOTH CHRISTIAN HOSPITAL - RES							
REHOBOTH CHRISTIAN HOSPITAL 2006	\$ 437,922	\$ 437,913	\$ -	\$ 437,913	\$ -	\$ 437,913	\$ 10
REHOBOTH CHRISTIAN HOSPITAL 2007	468,680	468,648	16	468,664	16	468,664	16
REHOBOTH CHRISTIAN HOSPITAL 2008	485,986	485,912	36	485,948	36	485,948	38
REHOBOTH CHRISTIAN HOSPITAL 2009	514,133	513,651	252	513,903	275	513,903	230
REHOBOTH CHRISTIAN HOSPITAL 2010	518,185	517,259	513	517,772	509	517,763	413
REHOBOTH CHRISTIAN HOSPITAL 2011	525,319	523,792	922	524,714	1,035	524,710	605
REHOBOTH CHRISTIAN HOSPITAL 2012	528,762	525,007	2,123	527,130	4,608	527,119	1,632
REHOBOTH CHRISTIAN HOSPITAL 2013	793,903	771,527	14,695	786,222	14,081	783,105	7,681
REHOBOTH CHRISTIAN HOSPITAL 2014	800,760	743,100	34,174	777,274	45,928	775,276	23,486
REHOBOTH CHRISTIAN HOSPITAL 2015	798,592	12	746,428	746,440	729,787	729,799	52,152
Total	\$ 5,872,242	\$ 4,986,821	\$ 799,159	\$ 5,785,980	\$ 796,275	\$ 5,764,200	\$ 86,263
012 UNM - GALLUP SPECIAL VOCATIONAL - RES							
UNM - GALLUP SPECIAL VOCATIONAL 2006	\$ 218,961	\$ 218,956	\$ -	\$ 218,956	\$ -	\$ 218,956	\$ 5
UNM - GALLUP SPECIAL VOCATIONAL 2007	234,458	234,442	8	234,450	8	234,450	8
UNM - GALLUP SPECIAL VOCATIONAL 2008	242,993	242,956	18	242,974	18	242,974	19
UNM - GALLUP SPECIAL VOCATIONAL 2009	257,067	256,826	126	256,952	138	256,952	115
UNM - GALLUP SPECIAL VOCATIONAL 2010	259,093	258,630	256	258,886	255	258,882	207
UNM - GALLUP SPECIAL VOCATIONAL 2011	262,659	261,896	461	262,357	518	262,355	302
UNM - GALLUP SPECIAL VOCATIONAL 2012	264,381	262,503	1,062	263,565	2,304	263,560	816
UNM - GALLUP SPECIAL VOCATIONAL 2013	264,634	257,176	4,898	262,074	4,694	261,035	2,560
UNM - GALLUP SPECIAL VOCATIONAL 2014	266,920	247,700	11,391	259,091	15,309	258,425	7,829
UNM - GALLUP SPECIAL VOCATIONAL 2015	266,197	4	248,809	248,813	243,262	243,266	17,384
Total	\$ 2,537,363	\$ 2,241,089	\$ 267,029	\$ 2,508,118	\$ 266,506	\$ 2,500,855	\$ 29,245

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013 ZUNI SCHOOL DISTRICT OPERATIONAL - RES							
ZUNI SCHOOL DISTRICT OPERATIONAL 2006	\$ 10	\$ 10	\$ -	\$ 10	\$ -	\$ 10	\$ -
ZUNI SCHOOL DISTRICT OPERATIONAL 2007	10	10	-	10	-	10	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2008	10	10	-	10	-	10	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2009	8	8	-	8	-	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2010	8	8	-	8	-	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2011	8	8	-	8	-	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2012	8	8	-	8	-	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2013	8	8	-	8	-	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2014	8	8	-	8	-	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2015	8	-	8	8	2	2	-
Total	\$ 86	\$ 78	\$ 8	\$ 86	\$ 2	\$ 80	\$ -
014 ZUNI SCHOOL DISTRICT DEBT SERV - RES							
ZUNI SCHOOL DISTRICT DEBT SERVICE 2006	\$ 59	\$ 59	\$ -	\$ 59	\$ -	\$ 59	\$ -
ZUNI SCHOOL DISTRICT DEBT SERVICE 2007	59	59	-	59	-	59	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2008	53	53	-	53	-	53	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2009	83	83	-	83	-	83	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2010	96	96	-	96	-	96	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2011	56	56	-	56	-	56	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2012	72	72	-	72	-	72	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2013	73	73	-	73	-	73	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2014	-	-	-	-	-	-	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2015	-	-	-	-	-	-	-
Total	\$ 551	\$ 551	\$ -	\$ 551	\$ -	\$ 551	\$ -
015 ZUNI SCHOOL DIST CAP IMPROV - RES							
ZUNI SCHOOL DIST CAPITAL IMPROV. 2006	\$ 40	\$ 40	\$ -	\$ 40	\$ -	\$ 40	\$ -
ZUNI SCHOOL DIST CAPITAL IMPROV. 2007	39	39	-	39	-	39	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2008	39	39	-	39	-	39	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2009	33	33	-	33	-	33	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2010	33	33	-	33	-	33	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2011	32	32	-	32	-	32	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2012	32	32	-	32	-	32	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2013	31	31	-	31	-	31	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2014	32	32	-	32	-	32	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2015	32	-	31	31	8	8	1
Total	\$342.00	\$ 311	\$ 31	\$ 342	\$ 8	\$ 319	\$ 1

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
019 ZUNI SCHOOL DIST EDUC. TECH - RES							
ZUNI SCHOOL DIST EDUC TECH. 2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ZUNI SCHOOL DIST EDUC TECH. 2007	262	262	-	262	-	262	-
ZUNI SCHOOL DIST EDUC TECH. 2008	172	172	-	172	-	172	-
ZUNI SCHOOL DIST EDUC TECH. 2009	149	149	-	149	-	149	-
ZUNI SCHOOL DIST EDUC TECH. 2010	151	151	-	151	-	151	-
ZUNI SCHOOL DIST EDUC TECH. 2011	382	382	-	382	-	382	-
ZUNI SCHOOL DIST EDUC TECH. 2012	-	-	-	-	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2013	-	-	-	-	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2014	-	-	-	-	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2015	-	-	-	-	-	-	-
Total	\$ 1,116	\$ 1,116	\$ -	\$ 1,116	\$ -	\$ 1,116	\$ -
022 COUNTY OPERATIONAL - NON RES							
COUNTY OPERATIONAL - NON RES 2006	\$ 4,988,250	\$ 4,985,842	\$ 129	\$ 4,985,971	\$ 110	\$ 4,985,952	\$ 2,279
COUNTY OPERATIONAL - NON RES 2007	5,390,080	5,387,220	713	5,387,933	699	5,387,933	2,147
COUNTY OPERATIONAL - NON RES 2008	5,287,456	5,283,382	1,273	5,284,655	1,357	5,284,627	2,801
COUNTY OPERATIONAL - NON RES 2009	5,735,465	5,720,023	1,491	5,721,514	1,658	5,721,505	13,951
COUNTY OPERATIONAL - NON RES 2010	5,649,618	5,641,016	1,766	5,642,782	2,063	5,642,775	6,836
COUNTY OPERATIONAL - NON RES 2011	5,920,503	5,910,598	3,050	5,913,648	3,860	5,913,640	6,855
COUNTY OPERATIONAL - NON RES 2012	5,958,436	5,946,458	4,351	5,950,809	10,991	5,950,772	7,627
COUNTY OPERATIONAL - NON RES 2013	6,710,577	6,662,779	21,718	6,684,497	20,945	6,678,890	26,080
COUNTY OPERATIONAL - NON RES 2014	6,733,088	6,596,608	85,401	6,682,009	142,853	6,679,946	51,079
COUNTY OPERATIONAL - NON RES 2015	6,723,411	27	6,018,689	6,018,716	5,978,334	5,978,361	704,695
Total	\$ 59,096,884	\$ 52,133,953	\$ 6,138,581	\$ 58,272,534	\$ 6,162,870	\$ 58,224,401	\$ 824,350
024 GALLUP MUNICIPAL OPERATIONAL - NON RES							
GALLUP MUNICIPAL OPERATIONAL NON RES 2006	\$ 1,030,928	\$ 1,030,205	\$ 83	\$ 1,030,288	\$ 71	\$ 1,030,275	\$ 640
GALLUP MUNICIPAL OPERATIONAL NON RES 2007	1,125,610	1,124,763	297	1,125,060	289	1,125,051	550
GALLUP MUNICIPAL OPERATIONAL NON RES 2008	1,180,868	1,179,336	674	1,180,010	656	1,179,992	858
GALLUP MUNICIPAL OPERATIONAL NON RES 2009	1,168,720	1,160,163	669	1,160,832	663	1,160,826	7,888
GALLUP MUNICIPAL OPERATIONAL NON RES 2010	1,164,160	1,160,242	852	1,161,094	847	1,161,089	3,066
GALLUP MUNICIPAL OPERATIONAL NON RES 2011	1,149,189	1,145,317	842	1,146,159	1,013	1,146,154	3,030
GALLUP MUNICIPAL OPERATIONAL NON RES 2012	1,138,718	1,134,961	1,677	1,136,638	4,052	1,136,615	2,080
GALLUP MUNICIPAL OPERATIONAL NON RES 2013	1,120,542	1,100,985	6,973	1,107,958	7,577	1,106,252	12,584
GALLUP MUNICIPAL OPERATIONAL NON RES 2014	1,133,987	1,083,972	31,293	1,115,265	64,551	1,114,782	18,722
GALLUP MUNICIPAL OPERATIONAL NON RES 2015	1,085,585	1	1,031,098	1,031,099	1,011,482	1,011,483	54,486
Total	\$ 11,298,307	\$ 10,119,945	\$ 1,074,458	\$ 11,194,403	\$ 1,091,201	\$ 11,172,519	\$ 103,904

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
026 SCHOOL DISTRICT OPERATIONAL - NON RES							
SCHOOL DISTRICT OPERATIONAL - NON RES 2006	\$ 20,918	\$ 20,911	\$ 1	\$ 20,912	\$ -	\$ 20,912	\$ 8
SCHOOL DISTRICT OPERATIONAL - NON RES 2007	22,608	22,599	3	22,602	3	22,602	6
SCHOOL DISTRICT OPERATIONAL - NON RES 2008	221,746	221,604	54	221,658	57	221,656	88
SCHOOL DISTRICT OPERATIONAL - NON RES 2009	240,709	240,087	63	240,150	70	240,150	559
SCHOOL DISTRICT OPERATIONAL - NON RES 2010	237,099	236,765	75	236,840	87	236,839	259
SCHOOL DISTRICT OPERATIONAL - NON RES 2011	248,618	248,227	129	248,356	163	248,355	262
SCHOOL DISTRICT OPERATIONAL - NON RES 2012	250,204	249,725	184	249,909	464	249,908	295
SCHOOL DISTRICT OPERATIONAL - NON RES 2013	282,046	280,053	916	280,969	884	280,733	1,077
SCHOOL DISTRICT OPERATIONAL - NON RES 2014	282,958	277,230	3,603	280,833	6,028	280,746	2,125
SCHOOL DISTRICT OPERATIONAL - NON RES 2015	282,580	1	252,864	252,865	251,161	251,162	29,715
Total	\$ 2,089,486	\$ 1,797,202	\$ 257,892	\$ 2,055,094	\$ 258,917	\$ 2,053,063	\$ 34,394
028 SCHOOL DIST CAP IMPROV - NON RES							
SCHOOL DIST CAP IMPROV - NON RES 2006	\$ 836,736	\$ 836,445	\$ 22	\$ 836,467	\$ 19	\$ 836,463	\$ 269
SCHOOL DIST CAP IMPROV - NON RES 2007	904,326	903,961	120	904,081	118	904,079	245
SCHOOL DIST CAP IMPROV - NON RES 2008	886,985	886,415	215	886,630	229	886,626	355
SCHOOL DIST CAP IMPROV - NON RES 2009	962,837	960,349	252	960,601	280	960,599	2,236
SCHOOL DIST CAP IMPROV - NON RES 2010	948,394	947,060	298	947,358	348	947,357	1,036
SCHOOL DIST CAP IMPROV - NON RES 2011	994,471	992,908	515	993,423	652	993,422	1,048
SCHOOL DIST CAP IMPROV - NON RES 2012	1,000,815	998,902	734	999,636	1,855	999,630	1,179
SCHOOL DIST CAP IMPROV - NON RES 2013	1,128,185	1,120,212	3,665	1,123,877	3,535	1,122,931	4,308
SCHOOL DIST CAP IMPROV - NON RES 2014	1,131,830	1,108,917	14,414	1,123,331	24,110	1,122,983	8,499
SCHOOL DIST CAP IMPROV - NON RES 2015	1,130,321	5	1,011,455	1,011,460	1,004,644	1,004,649	118,861
Total	\$ 9,924,900	\$ 8,755,174	\$ 1,031,690	\$ 9,786,864	\$ 1,035,790	\$ 9,778,739	\$ 138,036
029 GALLUP BRANCH COLLEGE - NON RES							
GALLUP BRANCH COLLEGE - NON RES 2006	\$ 841,899	\$ 841,492	\$ 22	\$ 841,514	\$ 19	\$ 841,511	\$ 385
GALLUP BRANCH COLLEGE - NON RES 2007	909,718	909,236	120	909,356	118	909,353	362
GALLUP BRANCH COLLEGE - NON RES 2008	892,398	891,710	215	891,925	229	891,920	473
GALLUP BRANCH COLLEGE - NON RES 2009	968,011	965,404	252	965,656	280	965,655	2,355
GALLUP BRANCH COLLEGE - NON RES 2010	953,522	952,070	298	952,368	348	952,367	1,154
GALLUP BRANCH COLLEGE - NON RES 2011	999,241	997,569	515	998,084	652	998,083	1,157
GALLUP BRANCH COLLEGE - NON RES 2012	1,005,643	1,003,622	734	1,004,356	1,855	1,004,350	1,287
GALLUP BRANCH COLLEGE - NON RES 2013	1,132,587	1,124,520	3,665	1,128,185	3,535	1,127,239	4,402
GALLUP BRANCH COLLEGE - NON RES 2014	1,136,386	1,113,351	14,414	1,127,765	24,110	1,127,417	8,621
GALLUP BRANCH COLLEGE - NON RES 2015	1,134,753	4	1,015,813	1,015,817	1,009,002	1,009,006	118,936
Total	\$ 9,974,158	\$ 8,798,978	\$ 1,036,048	\$ 9,835,026	\$ 1,040,148	\$ 9,826,901	\$ 139,132

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
031 REOBOTH CHRISTIAN HOSPITAL - NON RES							
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2006	\$ 841,899	\$ 841,492	\$ 22	\$ 841,514	\$ 19	\$ 841,511	\$ 385
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2007	909,718	909,236	120	909,356	118	909,353	362
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2008	892,398	891,710	215	891,925	229	891,920	473
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2009	968,011	965,404	252	965,656	280	965,655	2,355
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2010	953,522	952,070	298	952,368	348	952,367	1,154
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2011	999,241	997,569	515	998,084	652	998,083	1,157
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2012	1,005,643	1,003,622	734	1,004,356	1,855	1,004,350	1,287
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2013	1,698,880	1,686,780	5,498	1,692,278	5,303	1,690,858	6,602
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2014	1,704,579	1,670,027	21,621	1,691,648	36,165	1,691,126	12,931
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2015	1,702,129	7	1,523,719	1,523,726	1,513,502	1,513,509	178,403
Total	\$ 11,676,020	\$ 9,917,917	\$ 1,552,994	\$ 11,470,911	\$ 1,558,471	\$ 11,458,732	\$ 205,109
032 UNM GALLUP SPECIAL VOCATIONAL NON - RES							
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2006	\$ 420,949	\$ 420,746	\$ 11	\$ 420,757	\$ 9	\$ 420,755	\$ 192
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2007	454,859	454,618	60	454,678	59	454,677	181
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2008	446,199	445,855	107	445,962	114	445,960	237
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2009	484,005	482,702	126	482,828	140	482,827	1,177
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2010	476,761	476,035	149	476,184	174	476,184	577
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2011	499,621	498,785	257	499,042	326	499,041	579
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2012	502,822	501,811	367	502,178	927	502,175	644
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2013	566,293	562,260	1,833	564,093	1,768	563,619	2,200
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2014	568,193	556,676	7,207	563,883	12,055	563,709	4,310
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2015	567,376	3	507,906	507,909	504,501	504,503	59,467
Total	\$ 4,987,078	\$ 4,399,491	\$ 518,023	\$ 4,917,514	\$ 520,073	\$ 4,913,450	\$ 69,564
061 RIO SAN JOSE FLOOD CONTROL - RES							
RIO SAN JOSE FLOOD CONTROL - RES 2006	\$ 1,751	\$ 1,751	\$ -	\$ 1,751	\$ -	\$ 1,751	\$ -
RIO SAN JOSE FLOOD CONTROL - RES 2007	2,052	2,052	-	2,052	-	2,052	-
RIO SAN JOSE FLOOD CONTROL - RES 2008	2,121	2,121	-	2,121	-	2,121	-
RIO SAN JOSE FLOOD CONTROL - RES 2009	2,258	2,235	23	2,258	23	2,258	-
RIO SAN JOSE FLOOD CONTROL - RES 2010	2,156	2,134	22	2,156	22	2,156	-
RIO SAN JOSE FLOOD CONTROL - RES 2011	2,117	2,086	29	2,115	28	2,115	2
RIO SAN JOSE FLOOD CONTROL - RES 2012	2,225	2,175	5	2,180	23	2,180	45
RIO SAN JOSE FLOOD CONTROL - RES 2013	2,247	2,049	108	2,157	102	2,151	90
RIO SAN JOSE FLOOD CONTROL - RES 2014	2,237	1,812	146	1,958	186	1,957	279
RIO SAN JOSE FLOOD CONTROL - RES 2015	2,242	-	1,797	1,797	1,758	1,758	445
Total	\$ 21,406	\$ 18,415	\$ 2,130	\$ 20,545	\$ 2,142	\$ 20,499	\$ 861

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
062 RIO SAN JOSE FLOOD CONTROL NON - RES							
RIO SAN JOSE FLOOD CONTROL NON - RES 2006	\$ 25,117	\$ 25,117	\$ -	\$ 25,117	\$ -	\$ 25,117	\$ -
RIO SAN JOSE FLOOD CONTROL NON - RES 2007	26,508	26,508	-	26,508	-	26,508	-
RIO SAN JOSE FLOOD CONTROL NON - RES 2008	26,842	26,838	-	26,838	-	26,838	4
RIO SAN JOSE FLOOD CONTROL NON - RES 2009	23,078	23,073	-	23,073	-	23,073	5
RIO SAN JOSE FLOOD CONTROL NON - RES 2010	20,840	20,835	-	20,835	-	20,835	5
RIO SAN JOSE FLOOD CONTROL NON - RES 2011	21,817	21,798	13	21,811	15	21,811	6
RIO SAN JOSE FLOOD CONTROL NON - RES 2012	19,716	19,675	17	19,692	27	19,692	24
RIO SAN JOSE FLOOD CONTROL NON - RES 2013	26,362	26,253	63	26,316	59	26,308	46
RIO SAN JOSE FLOOD CONTROL NON - RES 2014	26,532	26,217	197	26,414	207	26,410	118
RIO SAN JOSE FLOOD CONTROL NON - RES 2015	34,512	-	34,250	34,250	34,213	34,214	262
Total	\$ 251,324	\$ 216,314	\$ 34,540	\$ 250,854	\$ 34,521	\$ 250,806	\$ 470
101 STATE DEBT SERVICE							
STATE DEBT SERVICE 2006	\$ 543,446	\$ 543,183	\$ 14	\$ 543,197	\$ 12	\$ 543,195	\$ 249
STATE DEBT SERVICE 2007	555,383	555,089	73	555,162	72	555,160	221
STATE DEBT SERVICE 2008	557,748	557,319	134	557,453	143	557,450	295
STATE DEBT SERVICE 2009	556,606	555,107	145	555,252	161	555,252	1,354
STATE DEBT SERVICE 2010	-	-	-	-	-	-	-
STATE DEBT SERVICE 2011	-	-	-	-	-	-	-
STATE DEBT SERVICE 2012	-	-	-	-	-	-	-
STATE DEBT SERVICE 2013	-	-	-	-	-	-	-
STATE DEBT SERVICE 2014	-	-	-	-	-	-	-
STATE DEBT SERVICE 2015	-	-	-	-	-	-	-
Total	\$ 2,213,183	\$ 2,210,698	\$ 366	\$ 2,211,064	\$ 388	\$ 2,211,057	\$ 2,119
103 COUNTY DEBT SERVICE							
COUNTY DEBT SERVICE 2006	\$ 489,564	\$ 489,327	\$ 13	\$ 489,340	\$ 11	\$ 489,340	\$ 224
COUNTY DEBT SERVICE 2007	481,696	481,440	64	481,504	62	481,504	192
COUNTY DEBT SERVICE 2008	362,760	362,480	87	362,567	93	362,567	193
COUNTY DEBT SERVICE 2009	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2010	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2011	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2012	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2013	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2014	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2015	-	-	-	-	-	-	-
Total	\$ 1,334,020	\$ 1,333,247	\$ 164	\$ 1,333,411	\$ 166	\$ 1,333,411	\$ 609

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
105 GALLUP MUNICIPAL DEBT SERVICE							
GALLUP MUNICIPAL DEBT SERVICE 2006	\$ 186,915	\$ 186,784	\$ 15	\$ 186,799	\$ 13	\$ 186,799	\$ 116
GALLUP MUNICIPAL DEBT SERVICE 2007	339,080	338,824	90	338,914	87	338,914	166
GALLUP MUNICIPAL DEBT SERVICE 2008	342,683	342,238	196	342,434	190	342,434	249
GALLUP MUNICIPAL DEBT SERVICE 2009	339,158	336,675	194	336,869	193	336,867	2,289
GALLUP MUNICIPAL DEBT SERVICE 2010	337,835	336,698	247	336,945	246	336,943	890
GALLUP MUNICIPAL DEBT SERVICE 2011	212,412	211,696	156	211,852	187	211,851	560
GALLUP MUNICIPAL DEBT SERVICE 2012	255,579	254,736	376	255,112	909	255,107	467
GALLUP MUNICIPAL DEBT SERVICE 2013	220,007	216,167	1,369	217,536	1,488	217,201	2,471
GALLUP MUNICIPAL DEBT SERVICE 2014	164,984	157,707	4,553	162,260	9,392	162,190	2,724
GALLUP MUNICIPAL DEBT SERVICE 2015	211,015	-	200,424	200,424	196,611	196,611	10,591
Total	\$ 2,609,668	\$ 2,381,525	\$ 207,620	\$ 2,589,145	\$ 209,316	\$ 2,584,917	\$ 20,523
107 SCHOOL DISTRICT DEBT SERVICE							
SCHOOL DISTRICT DEBT SERVICE 2006	\$ 3,392,963	\$ 3,391,784	\$ 88	\$ 3,391,872	\$ 75	\$ 3,391,859	\$ 1,091
SCHOOL DISTRICT DEBT SERVICE 2007	3,668,399	3,666,918	488	3,667,406	478	3,667,396	993
SCHOOL DISTRICT DEBT SERVICE 2008	3,703,605	3,701,228	897	3,702,125	956	3,702,105	1,480
SCHOOL DISTRICT DEBT SERVICE 2009	4,022,252	4,011,858	1,051	4,012,909	1,169	4,012,902	9,343
SCHOOL DISTRICT DEBT SERVICE 2010	3,968,555	3,962,973	1,248	3,964,221	1,457	3,964,216	4,334
SCHOOL DISTRICT DEBT SERVICE 2011	4,154,402	4,147,874	2,151	4,150,025	2,722	4,150,019	4,377
SCHOOL DISTRICT DEBT SERVICE 2012	4,177,901	4,169,918	3,065	4,172,983	7,744	4,172,957	4,918
SCHOOL DISTRICT DEBT SERVICE 2013	4,700,018	4,666,803	15,270	4,682,073	14,727	4,678,130	17,945
SCHOOL DISTRICT DEBT SERVICE 2014	4,714,640	4,619,195	60,040	4,679,235	100,431	4,677,785	35,405
SCHOOL DISTRICT DEBT SERVICE 2015	4,702,134	19	4,207,653	4,207,672	4,179,320	4,179,339	494,462
Total	\$ 41,204,869	\$ 36,338,570	\$ 4,291,951	\$ 40,630,521	\$ 4,309,079	\$ 40,596,708	\$ 574,348
110 GALLUP BRANCH DEBT SERVICE							
GALLUP BRANCH DEBT SERVICE 2006	\$ 841,899	\$ 841,492	\$ 22	\$ 841,514	\$ 19	\$ 841,511	\$ 385
GALLUP BRANCH DEBT SERVICE 2007	909,718	909,236	120	909,356	118	909,353	362
GALLUP BRANCH DEBT SERVICE 2008	892,398	891,710	215	891,925	229	891,920	473
GALLUP BRANCH DEBT SERVICE 2009	1,210,014	1,206,755	315	1,207,070	350	1,207,069	2,944
GALLUP BRANCH DEBT SERVICE 2010	1,191,903	1,190,087	373	1,190,460	435	1,190,459	1,443
GALLUP BRANCH DEBT SERVICE 2011	1,249,051	1,246,961	644	1,247,605	814	1,247,603	1,446
GALLUP BRANCH DEBT SERVICE 2012	1,674,396	1,671,030	1,223	1,672,253	3,089	1,672,242	2,143
GALLUP BRANCH DEBT SERVICE 2013	1,885,757	1,872,325	6,103	1,878,428	5,886	1,876,853	7,329
GALLUP BRANCH DEBT SERVICE 2014	1,562,531	1,530,858	19,819	1,550,677	33,152	1,550,198	11,854
GALLUP BRANCH DEBT SERVICE 2015	1,560,285	6	1,396,742	1,396,748	1,387,377	1,387,383	163,537
Total	\$ 12,977,952	\$ 11,360,460	\$ 1,425,576	\$ 12,786,036	\$ 1,431,469	\$ 12,774,591	\$ 191,916

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
113 ZUNI SCHOOL DISTRICT OPER NON-RES							
ZUNI SCHOOL DISTRICT OPER NON - RES 2006	\$ 1,291	\$ 1,262	\$ -	\$ 1,262	\$ -	\$ 1,262	\$ 29
ZUNI SCHOOL DISTRICT OPER NON - RES 2007	1,348	1,319	-	1,319	-	1,319	29
ZUNI SCHOOL DISTRICT OPER NON - RES 2008	1,353	1,324	-	1,324	-	1,324	29
ZUNI SCHOOL DISTRICT OPER NON - RES 2009	1,293	1,264	-	1,264	-	1,264	29
ZUNI SCHOOL DISTRICT OPER NON - RES 2010	1,282	1,252	-	1,252	-	1,252	30
ZUNI SCHOOL DISTRICT OPER NON - RES 2011	1,193	1,165	-	1,165	-	1,165	28
ZUNI SCHOOL DISTRICT OPER NON - RES 2012	1,207	1,180	-	1,180	-	1,180	27
ZUNI SCHOOL DISTRICT OPER NON - RES 2013	1,100	1,077	-	1,077	-	1,077	23
ZUNI SCHOOL DISTRICT OPER NON - RES 2014	1,134	1,104	-	1,104	-	1,104	30
ZUNI SCHOOL DISTRICT OPER NON - RES 2015	1,108	-	1,089	1,089	1,089	1,089	19
Total	\$ 12,309	\$ 10,947	\$ 1,089	\$ 12,036	\$ 1,089	\$ 12,036	\$ 273
114 ZUNI SCHOOL DISTRICT DEBT SERV NON-RES							
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2006	\$ 7,574	\$ 7,405	\$ -	\$ 7,405	\$ -	\$ 7,405	\$ 169
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2007	8,223	8,044	-	8,044	-	8,044	179
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2008	7,445	7,283	-	7,283	-	7,283	162
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2009	12,878	12,584	-	12,584	-	12,584	294
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2010	14,827	14,486	-	14,486	-	14,486	341
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2011	8,384	8,192	-	8,192	-	8,192	192
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2012	10,944	10,696	-	10,696	-	10,696	248
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2013	10,226	10,007	-	10,007	-	10,007	219
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2014	-	-	-	-	-	-	-
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2015	-	-	-	-	-	-	-
Total	\$ 80,501	\$ 78,697	\$ -	\$ 78,697	\$ -	\$ 78,697	\$ 1,804
115 ZUNI SCHOOL DIST CAP IMPROV NON-RES							
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2006	\$ 5,163	\$ 5,047	\$ -	\$ 5,047	\$ -	\$ 5,047	\$ 116
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2007	5,392	5,275	-	5,275	-	5,275	117
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2008	5,413	5,295	-	5,295	-	5,295	118
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2009	5,174	5,056	-	5,056	-	5,056	118
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2010	5,128	5,010	-	5,010	-	5,010	118
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2011	4,770	4,661	-	4,661	-	4,661	109
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2012	4,829	4,719	-	4,719	-	4,719	110
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2013	4,402	4,308	-	4,308	-	4,308	94
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2014	4,540	4,419	-	4,419	-	4,419	121
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2015	4,432	-	4,357	4,357	4,357	4,357	75
Total	\$ 49,243	\$ 43,790	\$ 4,357	\$ 48,147	\$ 4,357	\$ 48,147	\$ 1,096

See independent auditors' report.

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

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
119 ZUNI SCHOOL DIST EDUC TECH NON-RES							
ZUNI SCHOOL DIST EDUC TECH NON - RES 2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ZUNI SCHOOL DIST EDUC TECH NON - RES 2007	36,543	35,748	-	35,748	-	35,748	795
ZUNI SCHOOL DIST EDUC TECH NON - RES 2008	24,000	23,476	-	23,476	-	23,476	524
ZUNI SCHOOL DIST EDUC TECH NON - RES 2009	23,166	22,638	-	22,638	-	22,638	528
ZUNI SCHOOL DIST EDUC TECH NON - RES 2010	23,257	22,723	-	22,723	-	22,723	534
ZUNI SCHOOL DIST EDUC TECH NON - RES 2011	57,540	56,224	-	56,224	-	56,224	1,316
ZUNI SCHOOL DIST EDUC TECH NON - RES 2012	-	-	-	-	-	-	-
ZUNI SCHOOL DIST EDUC TECH NON - RES 2013	-	-	-	-	-	-	-
ZUNI SCHOOL DIST EDUC TECH NON - RES 2014	-	-	-	-	-	-	-
ZUNI SCHOOL DIST EDUC TECH NON - RES 2015	-	-	-	-	-	-	-
Total	\$ 164,506	\$ 160,809	\$ -	\$ 160,809	\$ -	\$ 160,809	\$ 3,697
951 CATTLE INDEMNITY							
CATTLE INDEMNITY 2006	\$ 18,691	\$ 18,502	\$ -	\$ 18,502	\$ -	\$ 18,502	\$ 189
CATTLE INDEMNITY 2007	18,959	18,865	-	18,865	-	18,865	94
CATTLE INDEMNITY 2008	12,479	12,373	-	12,373	-	12,373	106
CATTLE INDEMNITY 2009	13,328	13,218	-	13,218	-	13,218	110
CATTLE INDEMNITY 2010	13,495	13,400	-	13,400	-	13,400	95
CATTLE INDEMNITY 2011	15,328	15,209	2	15,211	2	15,211	117
CATTLE INDEMNITY 2012	17,980	17,834	4	17,838	4	17,838	142
CATTLE INDEMNITY 2013	21,190	20,842	42	20,884	93	20,884	306
CATTLE INDEMNITY 2014	21,379	11,715	9,253	20,968	9,305	20,968	411
CATTLE INDEMNITY 2015	25,009	-	16,533	16,533	16,461	16,461	8,476
Total	\$ 177,838	\$ 141,958	\$ 25,834	\$ 167,792	\$ 25,865	\$ 167,720	\$ 10,046
952 SHEEP							
SHEEP 2006	\$ 176	\$ 176	\$ -	\$ 176	\$ -	\$ 176	\$ -
SHEEP 2007	145	145	-	145	-	145	-
SHEEP 2008	145	145	-	145	-	145	-
SHEEP 2009	94	94	-	94	-	94	-
SHEEP 2010	94	94	-	94	-	94	-
SHEEP 2011	155	154	1	155	1	155	-
SHEEP 2012	180	179	1	180	1	180	-
SHEEP 2013	169	169	-	169	-	169	-
SHEEP 2014	111	100	10	110	10	110	1
SHEEP 2015	147	-	131	131	131	131	16
Total	\$ 1,416	\$ 1,256	\$ 143	\$ 1,399	\$ 143	\$ 1,399	\$ 17

See independent auditors' report.

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

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
953 GOATS							
GOATS 2006	\$ 16	\$ 16	\$ -	\$ 16	\$ -	\$ 16	\$ -
GOATS 2007	19	19	-	19	-	19	-
GOATS 2008	59	59	-	59	-	59	-
GOATS 2009	16	16	-	16	-	16	-
GOATS 2010	20	20	-	20	-	20	-
GOATS 2011	25	23	2	25	2	25	-
GOATS 2012	84	81	3	84	3	84	-
GOATS 2013	99	99	-	99	-	99	-
GOATS 2014	97	93	4	97	4	97	-
GOATS 2015	84	-	82	82	82	82	2
Total	\$ 518	\$ 426	\$ 91	\$ 517	\$ 91	\$ 517	\$ 2
955 HOGS							
HOGS 2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HOGS 2007	-	-	-	-	-	-	-
HOGS 2008	2	2	-	2	-	2	-
HOGS 2009	-	-	-	-	-	-	-
HOGS 2010	-	-	-	-	-	-	-
HOGS 2011	-	-	-	-	-	-	-
HOGS 2012	1	1	-	1	-	1	-
HOGS 2013	-	-	-	-	-	-	-
HOGS 2014	-	-	-	-	-	-	1
HOGS 2015	1	-	1	1	1	1	3
Total	\$ 4	\$ 3	\$ 1	\$ 4	\$ 1	\$ 4	\$ 4
956 DAIRY							
DAIRY 2006	\$ 940	\$ 927	\$ -	\$ 927	\$ -	\$ 927	\$ 13
DAIRY 2007	782	769	-	769	-	769	13
DAIRY 2008	-	-	-	-	-	-	-
DAIRY 2009	-	-	-	-	-	-	-
DAIRY 2010	8	-	-	-	-	-	8
DAIRY 2011	12	2	-	2	-	2	10
DAIRY 2012	3	3	-	3	-	3	-
DAIRY 2013	2	2	-	2	-	2	-
DAIRY 2014	2	2	-	2	-	2	-
DAIRY 2015	2	-	2	2	2	2	-
Total	\$ 1,751	\$ 1,705	\$ 2	\$ 1,707	\$ 2	\$ 1,707	\$ 44

See independent auditors' report.

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

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
957 BISON							
BISON 2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BISON 2007	-	-	-	-	-	-	-
BISON 2008	-	-	-	-	-	-	-
BISON 2009	-	-	-	-	-	-	-
BISON 2010	3	3	-	3	-	3	-
BISON 2011	3	3	-	3	-	3	-
BISON 2012	5	5	-	5	-	5	-
BISON 2013	6	6	-	6	-	6	-
BISON 2014	8	1	7	8	7	8	-
BISON 2015	13	-	13	13	13	13	-
Total	\$ 38	\$ 18	\$ 20	\$ 38	\$ 20	\$ 38	\$ -
980 DCLPEN							
DCLPEN 2006	\$ 2,992	\$ 2,992	\$ -	\$ 2,992	\$ -	\$ 2,992	\$ -
DCLPEN 2007	351	351	-	351	-	351	-
DCLPEN 2008	42	42	-	42	-	42	-
DCLPEN 2009	-	-	-	-	-	-	-
DCLPEN 2010	-	-	-	-	-	-	-
DCLPEN 2011	-	-	-	-	-	-	-
DCLPEN 2012	-	-	-	-	-	-	-
DCLPEN 2013	-	-	-	-	-	-	-
DCLPEN 2014	-	-	-	-	-	-	-
DCLPEN 2015	-	-	-	-	-	-	-
Total	\$ 3,385	\$ 3,385	\$ -	\$ 3,385	\$ -	\$ 3,385	\$ -
990 TREASURER ADMIN FEE							
TREASURER ADMIN FEE 2006	\$ 390	\$ 390	\$ -	\$ 390	\$ -	\$ 390	\$ -
TREASURER ADMIN FEE 2007	343	343	-	343	-	343	-
TREASURER ADMIN FEE 2008	357	357	-	357	-	357	-
TREASURER ADMIN FEE 2009	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2010	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2011	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2012	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2013	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2014	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2015	-	-	-	-	-	-	-
Total	\$ 1,090	\$ 1,090	\$ -	\$ 1,090	\$ -	\$ 1,090	\$ -

See independent auditors' report.

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

Assessor Special Assessment

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
954 HORSES, MULES, & ASSES							
HORSES, MULES & ASSES 2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HORSES, MULES & ASSES 2007	-	-	-	-	-	-	-
HORSES, MULES & ASSES 2008	-	-	-	-	-	-	-
HORSES, MULES & ASSES 2009	377	363	-	363	-	363	14
HORSES, MULES & ASSES 2010	401	391	-	391	-	391	10
HORSES, MULES & ASSES 2011	443	425	8	433	8	433	10
HORSES, MULES & ASSES 2012	467	445	13	458	13	458	9
HORSES, MULES & ASSES 2013	353	328	5	333	5	333	20
HORSES, MULES & ASSES 2014	354	298	48	346	48	346	8
HORSES, MULES & ASSES 2015	384	-	351	351	351	351	33
Total	\$ 2,779	\$ 2,250	\$ 425	\$ 2,675	\$ 425	\$ 2,675	\$ 104
958 ALPACA & LLAMA							
ALPACAS & LLAMAS 2010	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -
ALPACAS & LLAMAS 2011	-	-	-	-	-	-	-
ALPACAS & LLAMAS 2012	-	-	-	-	-	-	-
ALPACAS & LLAMAS 2013	-	-	-	-	-	-	-
ALPACAS & LLAMAS 2014	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
959 RATITIES							
RATITIES 2010	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -
RATITIES 2011	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditors' report.

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

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
GRAND TOTALS	\$ 253,440,559	\$ 223,199,242	\$ 26,921,569	\$ 250,120,811	\$ 26,987,717	\$ 249,730,617	\$ 3,319,746
2006	\$ 21,063,121	\$ 21,055,824	\$ 442	\$ 21,056,266	\$ 377	\$ 21,056,202	\$ 6,857
2007	22,935,679	22,925,952	2,491	22,928,443	2,444	22,928,407	7,236
2008	23,193,670	23,179,470	4,734	23,184,204	4,934	23,184,107	9,465
2009	24,543,827	24,484,763	8,294	24,493,059	9,102	24,493,028	50,769
2010	24,667,969	24,625,732	13,403	24,639,135	14,145	24,638,989	28,829
2011	25,126,553	25,072,323	22,438	25,094,765	26,288	25,094,685	31,787
2012	26,042,184	25,948,384	45,550	25,993,932	105,070	25,993,654	48,251
2013	28,898,725	28,505,559	224,869	28,730,427	217,058	28,680,091	168,298
2014	28,439,185	27,401,029	636,634	28,037,667	957,961	28,010,909	401,520
2015	28,529,648	206	25,962,709	25,962,913	25,650,338	25,650,545	2,566,734
	<u>\$ 253,440,561</u>	<u>\$ 223,199,242</u>	<u>\$ 26,921,564</u>	<u>\$ 250,120,811</u>	<u>\$ 26,987,717</u>	<u>\$ 249,730,617</u>	<u>\$ 3,319,746</u>

See independent auditors' report.

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

Schedule VII

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<i>Assets</i>				
Cash	\$ 1,008,689	\$ 19,346,688	\$ 19,403,184	\$ 952,193
Property taxes receivable	1,302,643	28,005,541	26,987,709	2,320,475
<i>Total assets</i>	<u>\$ 2,311,332</u>	<u>\$ 47,352,229</u>	<u>\$ 46,390,893</u>	<u>\$ 3,272,668</u>
<i>Liabilities</i>				
Accounts payable	\$ 16,020	\$ -	\$ 16,020	\$ -
Due to other taxing entities	1,302,643	28,005,541	26,987,709	2,320,475
Deposits held in trust	992,669	19,346,688	19,387,164	952,193
<i>Total liabilities</i>	<u>\$ 2,311,332</u>	<u>\$ 47,352,229</u>	<u>\$ 46,390,893</u>	<u>\$ 3,272,668</u>

See independent auditors' report.

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

Prepared by: Sara Keeler Title: Finance Director Date: September 20, 2016

<u>RFP#/ RFB#</u>	<u>Type of Procurement</u>	<u>Awarded Vendor</u>	<u>\$ Amount of Awarded Contract</u>	<u>\$ Amount of Amended Contract</u>
0045-135CS	Bernalillo County BID	Artesia Fire Equipment	\$ 171,875.00	N/A
2012-26 & 2013-20	BID	C & E Concrete INC	\$ 176,368.10	N/A
2010-12	BID	Caterpillar Fin. Services Corp	\$ 295,083.60	N/A
15-Aug-3937		Community Pantry	\$ 140,000.00	N/A
2013-24	RFP	Depauli Engineering & Surveying	\$ 74,811.23	N/A
2013-25	RFP	Depauli Engineering & Surveying	\$ 82,063.59	N/A
NWNMCOG 2010-05	RFP	Energy Control INC	\$ 275,632.86	N/A
NWNMCOG 2010-06	RFP	Energy Control INC	\$ 441,547.54	N/A
NWNMCOG 2010-07	RFP	Energy Control INC	\$ 291,200.11	N/A

See independent auditors' report.

Name and Physical Address per the Procurement Documentation, of <u>ALL</u> Vendors that Responded	In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor In-State and Chose Veteran's Preference (Y or N) For Federal Funds Answer N/A	Brief Description of the Scope of Work
Artesia Fire Equipment, 7011 Huseman Pl SW, Albuquerque, NM 87121	Yes	No	Supply Fire Dept Equip & Supplies
C & E Concrete Inc, 500 Elkins Rd, Grants, NM 87020 Vernon Hamilton, PO Box 2558, Gallup, NM 87305 Gallup Sand & Gravel, 61 Hasler Valley Rd, Gallup, NM 87301	No	No	Purchase of Base Course/Chips F/ County Roads
Caterpillar Financial Services Corp., 2120 West End Ave, Nashville, TN 37203	No	No	Lease w/ Fair Market Value to Purchase
Community Pantry 1130 Hassler Valley Rd, Gallup, NM 87301			Assist in Operations
De Pauli Engineering & Surveying 307 S 4th St, Gallup, NM 87301 Advisory Inspection 460 St. Michaels Dr. #801, Santa Fe, NM 87505 Paiki 2901 Juan Tabo Blvd NE #101, Albuquerque, NM 87112	Yes	No	Multi Year Contract for Engineering Services
De Pauli Engineering & Surveying 307 S 4th St, Gallup, NM 87301 Advisory Inspection 460 St. Michaels Dr. #801, Santa Fe, NM 87505 Paiki 2901 Juan Tabo Blvd NE #101, Albuquerque, NM 87112	Yes	No	Multi Year Contract for Engineering Services
Energy Control Inc 2600 American Rd SE #110, Rio Rancho, NM 87124 Eaton Energy 3810 Rutledge Rd NE B, Albuquerque, NM 87109 Johnson Controls 8516 Paseo Alameda NE, Albuquerque, NM 87113	Yes	No	Guaranteed Energy Savings Contract
Energy Control Inc 2600 American Rd SE #110, Rio Rancho, NM 87124 Eaton Energy 3810 Rutledge Rd NE B, Albuquerque, NM 87109 Johnson Controls 8516 Paseo Alameda NE, Albuquerque, NM 87113	Yes	No	Guaranteed Energy Savings Contract
Energy Control Inc 2600 American Rd SE #110, Rio Rancho, NM 87124 Eaton Energy 3810 Rutledge Rd NE B, Albuquerque, NM 87109 Johnson Controls 8516 Paseo Alameda NE, Albuquerque, NM 87113	Yes	No	Guaranteed Energy Savings Contract

See independent auditors' report.

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

<u>RFP#/ RFB#</u>	<u>Type of Procurement</u>	<u>Awarded Vendor</u>	<u>\$ Amount of Awarded Contract</u>	<u>\$ Amount of Amended Contract</u>
NWNMCOG 2010-08	RFP	Energy Control INC	\$ 143,857.42	N/A
NWNMCOG 2010-09	RFP	Energy Control INC	\$ 155,791.14	N/A
14-Sep-27		FAO, USAED, Albuquerque District L4	\$ 199,784.00	N/A
20-000-00-00039	WSCA Contract	Motorola Solutions	\$ 367,168.00	N/A
20-000-00-00040	WSCA Contract	Motorola Solutions	\$ 98,055.00	N/A
20-000-00-00041	WSCA Contract	Motorola Solutions	\$ 339,656.20	N/A
2015-06	BID	Murphy Builders INC	\$ 294,849.42	N/A
2008-18	Sole Source	New World Systems	\$ 121,272.20	N/A
	Prof. Services	Permits West INC	\$ 63,360.76	N/A
HGAC FS12-13	Coop Bid	Petes Equipment Repair INC	\$ 1,026,049.00	N/A
2012-17	RFP	Summit Food Service MGT. LLC	\$ 69,737.12	N/A
2012-17	RFP	Summit Food Service MGT. LLC	\$ 65,389.92	N/A
2012-17	RFP	Summit Food Service MGT. LLC	\$ 101,052.54	N/A

See independent auditors' report.

Name and Physical Address per the Procurement Documentation, of <u>ALL</u> Vendors that Responded	In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor In-State and Chose Veteran's Preference (Y or N) For Federal Funds Answer N/A	Brief Description of the Scope of Work
Energy Control Inc 2600 American Rd SE #110, Rio Rancho, NM 87124	Yes	No	Guaranteed Energy Savings Contract
Eaton Energy 3810 Rutledge Rd NE B, Albuquerque, NM 87109 Johnson Controls 8516 Paseo Alameda NE, Albuquerque, NM 87113	Yes	No	Guaranteed Energy Savings Contract
Energy Control Inc 2600 American Rd SE #110, Rio Rancho, NM 87124	Yes	No	Guaranteed Energy Savings Contract
Eaton Energy 3810 Rutledge Rd NE B, Albuquerque, NM 87109 Johnson Controls 8516 Paseo Alameda NE, Albuquerque, NM 87113	Yes	No	Master Drainage Study
US Army Corp of Engineers, 4101 Jefferson Plaza NE, Albuquerque, NM 87109	Yes	No	Purchase of Radio/Transmission
Motorola Solutions 723 Church Ranch Blvd, Westminster, CO 80021	Yes	No	Purchase of Radio/Transmission
Motorola Solutions 723 Church Ranch Blvd, Westminster, CO 80021	Yes	No	Purchase of Radio/Transmission
Motorola Solutions 723 Church Ranch Blvd, Westminster, CO 80021	Yes	No	Replace Water Tower at Fire Marshalls Office
Murphy Builders Inc. 808 Boardman Dr, Gallup, NM 87301 Century Club Construction 4322 2nd St NW, Albuquerque, NM 87107	No	No	Maintenance/Upgrade of Aegis System, Lae
Permits West INC, 37 Verano Loop, Santa Fe, NM 87508	No	No	GIS Survey, mapping, Environmental, For Purchase of Fire Trucks
Petes Equipment Repair, 1412 Broadway Blvd NE, Albuquerque, NM 87102	Yes	No	Provide Food Service at ADC, JDC
Summit Food Service, 2703 Broadbent Pkwy NE, Albuquerque, NM 87107	Yes	No	Provide Food Service at ADC, JDC
Triton Services Group ABL Management 1005 University Ave, Las Vegas, NM 87701	Yes	No	Provide Food Service at ADC, JDC
Summit Food Service, 2703 Broadbent Pkwy NE, Albuquerque, NM 87107	Yes	No	Provide Food Service at ADC, JDC
Triton Services Group ABL Management 1005 University Ave, Las Vegas, NM 87701	See independent auditors' report.		

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

<u>RFP#/ RFB#</u>	<u>Type of Procurement</u>	<u>Awarded Vendor</u>	<u>\$ Amount of Awarded Contract</u>	<u>\$ Amount of Amended Contract</u>
2012-08	RFP	SWCA Environmental Consultants	\$ 66,497.19	N/A
2015-05	BID	Tate's Auto Center	\$ 195,986.00	N/A
2008-18	Sole Source	Tyler Technologies- NWS	\$ 61,375.13	N/A
2008-18	Sole Source	Tyler Technologies/ Eagle	\$ 62,043.37	N/A
2012-26	BID	Vernon Hamilton Construction	\$ 94,891.21	N/A
2012-27	BID	Vernon Hamilton Construction	\$ 64,562.95	N/A

See independent auditors' report.

Name and Physical Address per the Procurement Documentation, of <u>ALL</u> Vendors that Responded	In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor In-State and Chose Veteran's Preference (Y or N) For Federal Funds Answer N/A	Brief Description of the Scope of Work
SWAC Environmental, 5647 Jefferson St NE, Albuquerque, NM 87109 WH Pacific 6501 Americas Pkwy #400, Albuquerque, NM 87110 Marron 7 Associates 7511 4th St NW, Albuquerque, NM 87107 Ecosystem Management 3737 Princeton Dr NE #150, Albuquerque, NM 87107 Envirosystems Management 23 E Fine Ave, Flagstaff, AZ 86001 GL Environmental 421 Bibb Industrial Dr, Las Vegas, NM 87701 Ina Ba 4801 N Butler Ave, Farmington, NM 87401 Souder Miller 3451 Candelaria Rd NE, Albuquerque, NM 87112	Yes	No	Environmental Consulting Zuni Mtn Trails
Tate's Auto Center 1200 W Jefferson Ave, Gallup, NM 87301 Rich Ford 8601 Lomas Blvd NE, Albuquerque, NM 87112 Rico Automotive 220 S 5th St., Gallup, NM 87301 Amigo Chevrolet 1900 S 2nd St., Gallup, NM 87301	No	No	Purchase of Fleet Vehicles
Tyler Technologies, 1627 Cole Blvd Suite 300 Bldg 18, Lakewood, CO 80401	No	No	Maintenance/Upgrades County Financial
Tyler Technologies, 1627 Cole Blvd Suite 300 Bldg 18, Lakewood, CO 80401	No	No	Maintenance/Upgrades software for Treasurer,
Vernon Hamilton, PO Box 2558, Gallup, NM 87305 Native Sun Materials, Thoreau, NM 87323 C & E Concrete Inc, 500 Elkins Rd, Grants, NM 87020 Gallup Sand & Gravel, 61 Hasler Valley Rd, Gallup, NM 87301	Yes	No	Purchase of Base Course for County Roads
Vernon Hamilton, PO Box 2558, Gallup, NM 87305 Native Sun Materials, Thoreau, NM 87323 C & E Concrete Inc, 500 Elkins Rd, Grants, NM 87020 Gallup Sand & Gravel, 61 Hasler Valley Rd, Gallup, NM 87301	Yes	No	Purchase of Base Course for County Roads

See independent auditors' report.

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COMPLIANCE SECTION

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

INDEPENDENT AUDITORS' REPORT

Timothy M. Keller
New Mexico State Auditor
The Office of Management and Budget
The McKinley County Commissioners
McKinley County
Gallup, 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 McKinley County (the County) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual fund statements and related budgetary comparisons of the County, presented as supplementary information, and have issued our report thereon dated October 24, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 questioned costs that we consider to be significant deficiencies listed as FS 2016-001.

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 or other matters that is required to be reported under *Government Auditing Standards*.

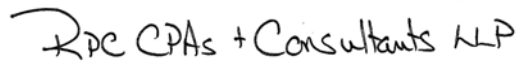
We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of Section 12-6-5 NMSA 1978 Findings as items FS 2015-001, FS 2015-002, NM 2016-001, and NM 2016-002.

County's Response to Findings

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

Purpose of this Report

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



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

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FEDERAL FINANCIAL ASSISTANCE

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

INDEPENDENT AUDITORS' REPORT

Timothy M. Keller
New Mexico State Auditor
The Office of Management and Budget
The McKinley County Commissioners
McKinley County
Gallup, New Mexico

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

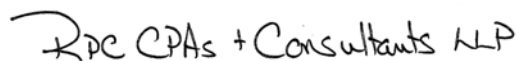
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying statement of findings and questioned costs as item FA 2016-001 that we consider to be a material weaknesses.

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

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



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

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

Federal Grantor/Passthrough Grantor/Program Title	Grant Number
U.S. Department of Agriculture	
Schools and Roads- Grants to States- RAC I- Title II monies	11-DG-11030200-009
Schools and Roads- Grants to States- RAC III- Title II	12-DG-11030300-017
Total U.S. Department of Agriculture	
U.S. Department of Housing and Urban Development	
(Passed through New Mexico Department of Finance and Administration)	
Community Development Block Grants/State's Program-Gamerco WSD	13-CNR-I-01-G-029
Total U.S. Department of Housing and Urban Development	
U.S. Department of Health & Human Services	
(Passed through New Mexico Children, Youth and Families Department)	
Partnership for Success II Grant	
Total U.S. Department of Health & Human Services	
U.S. Department of Transportation	
(Passed through New Mexico Traffic Safety Division)	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated-Regional DWI Task Force	15-AL-64-P02
Minimum Penalties for Repeat Offenders for Driving While Intoxicated-Full Time Law Enforcement DWI Officers	16-AL-RF-062
Minimum Penalties for Repeat Offenders for Driving While Intoxicated-End Driving While Impaired (ENDWI)	15-AL-64-062
Total U.S. Department of Transportation	
U.S. Department of Homeland Security	
(Passed through New Mexico Department of Homeland Security and Emergency Management)	
Disaster Grants - Public Assistance	FEMA 1936-DR-NM-FEMA-1936-006
Disaster Grants - Public Assistance	FEMA-4152-DR-NM-FEMA-4152-0006
Interagency Hazardous Materials Public Sector Training - State Homeland Security Grant	EMW-2013-SS-001452-S01
Interagency Hazardous Materials Public Sector Training - State Homeland Security Grant	EMW-2014-SS-00030-S-01
Interagency Hazardous Materials Public Sector Training- 2014 Emergency Performance Grant Program (SHSGP)	HM-HMP-0409-14-01-00
Interagency Hazardous Materials Public Sector Training- 2014 Hazardous Materials Emergency Preparedness Grant Program	DOT/HMP-0409-14-01-MCKINLEY
Total U.S. Department of Homeland Security	

Total Federal Financial Assistance

* Major program
 () Cluster

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

Federal C.F.D.A. Number	Federal Expenditures	Funds Provided to Subrecipients	Noncash Assistance
10.665*	\$ 118,411	\$ -	\$ -
10.665*	16,702	-	-
	<u>135,113</u>	<u>-</u>	<u>-</u>
14.228	20,245	-	-
	<u>20,245</u>	<u>-</u>	<u>-</u>
93.243	147,824	-	-
	<u>147,824</u>	<u>-</u>	<u>-</u>
20.608 *	295,427	295,427	-
20.608 *	12,532	9,373	-
20.608 *	1,191	-	-
	<u>309,150</u>	<u>304,800</u>	<u>-</u>
97.036	30,900	-	-
97.036	32,461	-	-
97.067	1,905	-	-
97.067	69,835	-	-
20.703	89,576	-	-
20.703	67,100	-	-
	<u>291,777</u>	<u>-</u>	<u>-</u>
	<u>\$ 904,109</u>	<u>\$ 304,800</u>	<u>\$ -</u>

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

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Notes to Schedule of Expenditures of Federal Awards

Basis of Presentation

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

Loans

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

10% de minimus Indirect Cost Rate

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

Federally Funded Insurance

The County has no federally funded insurance.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 904,109
Total expenditures funded by other sources	<u>41,117,225</u>
Total expenditures	<u><u>\$42,021,334</u></u>

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

Section I – Summary of Auditors’ Results

Financial Statements:

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

Federal Awards:

- | 1. Type of auditors’ report issued on compliance for major programs | Unmodified | | | | | | |
|---|---|-----------------|--------|---|--------|--|--|
| 2. Internal control over major programs: | | | | | | | |
| a. Material weaknesses identified? | Yes | | | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted | | | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | Yes | | | | | | |
| 4. Identification of major programs: | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">CFDA
Number</th> <th style="text-align: center; border-bottom: 1px solid black;">Federal Program</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">20.608</td> <td style="text-align: center;">Minimum Penalties for Repeat Offenders
for Driving While Intoxicated-Regional DWI Task Force</td> </tr> <tr> <td style="text-align: center;">10.665</td> <td style="text-align: center;">Federal Forest Reserve Title I- Secure Rural Schools</td> </tr> </tbody> </table> | CFDA
Number | Federal Program | 20.608 | Minimum Penalties for Repeat Offenders
for Driving While Intoxicated-Regional DWI Task Force | 10.665 | Federal Forest Reserve Title I- Secure Rural Schools | |
| CFDA
Number | Federal Program | | | | | | |
| 20.608 | Minimum Penalties for Repeat Offenders
for Driving While Intoxicated-Regional DWI Task Force | | | | | | |
| 10.665 | Federal Forest Reserve Title I- Secure Rural Schools | | | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 | | | | | | |
| 6. Auditee qualified as low-risk auditee? | No | | | | | | |

Section II – Financial Statement Findings

FS 2016-001 — Internal Control Finding over Dual Signatures - Significant Deficiency

Condition: During our fieldwork it was brought to our attention that cleared checks noted on the bank statements did not have dual signatures. We found 15 checks totaling \$4,254,862.53 that did not have a dual signature.

Criteria: NMSA 1978, 4-45-4 states “County orders shall be signed by the chairman of the board of county commissioners or his designee and attested by the county clerk and shall specify the nature of the claim of service for which they were issued, and the money shall be paid from the county treasury on such orders and not otherwise. Money may be paid from the county treasury by check or warrant. If money is paid by check, the check must be signed by the chairman of the board of county commissioners or his designee and the county treasurer.”

Effect: Not having dual signatures increases the risk of an unauthorized check being cashed and is in direct violation of the state statute.

Cause: The County did not review all checks prior to the checks being mailed to ensure all checks had required signatures.

Auditors’ Recommendations: The County should review all checks for dual signatures prior to the checks being distributed or mailed out. Any checks missing dual signatures should be held until a second signature is obtained.

Management Response: McKinley County will ensure that all check have dual signatures prior to being mailed out to the vendor.

Corrective Action: The McKinley County Treasurer has reviewed procedural processes and has already changed to now include: a deputy treasurer (preparer) of the checks; - 2 different signers (Chief Deputy Treasurer & Treasurer); - and, another Deputy Treasurer (reviewer) of the checks prior to disbursement to vendors. This addition of a fourth person (Deputy Treasurer) should prevent the disbursement of checks without the second signature. Corrective Action has been implemented immediately, starting October 24th, 2016.

Section III – Federal Award Findings

FA 2016-001 — Deficiency in Internal Controls over Subrecipient Risk Assessments - Material Weakness

Federal Program Information:

Funding agency: US Department of Transportation
Title: Regional DWI Task Force
CFDA number: 20.608

Condition: During our single audit testwork over DWI Taskforce it was noted that risk assessments over subrecipients were not completed prior to the pass-through entity awarding funds to the sub-grantee.

Criteria: § 200.331 Requirements for pass-through entities states:

“(b) Evaluate each subrecipient’s risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraph (e) of this section, which may include consideration of such factors as:

- (1) The subrecipient’s prior experience with the same or similar subawards;
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F—Audit Requirements of this Part, and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).”

Effect: Not evaluating each subrecipient’s risk of noncompliance is a violation of the *OMB Uniform Guidance* and may result in future grants being withheld from the County and/or repayment of funds to the Federal Government.

Cause: The County was not aware of the subrecipient risk assessment requirement in the new *OMB Uniform Guidance*.

Auditors’ Recommendations: RPC recommends that the County perform risk assessment over all subrecipients. In addition, we recommend the County update their understanding of the requirements in the *OMB Uniform Guidance*.

Management Response: McKinley County has an internal control procedure to verify non-governmental subrecipients’ risk assessments according to the *OMB Uniform Guidance*.

Corrective Action: McKinley County has informed the Grants department of the recently changed requirement to check every sub-recipients’ risk status, including, governmental entities, to insure compliance of the *Uniform Guidance*. The Grants Manager will be responsible for checking the sub-recipients’ risk status. Corrective Action has been implemented immediately, starting October 24th, 2016.

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

FS 2015-001 — Internal Control Finding over Travel and Per Diem- Finding that does not rise to Significant Deficiency –Repeated and Modified

Condition: During testwork over the County’s compliance with the Travel and Per Diem Act, we noted in one out of ten travel disbursements tested lodging was reimbursed for an amount over \$215 per night and the approval to exceed lodging amount was not shown on the travel request. Total reimbursement for hotel was \$1,220.80 for 4 nights, an average of \$305.20 per night.

Since the prior year finding, the County did properly implement controls to fix the problem the County had in prior year of not receiving reimbursement of funds to the County from employees in a timely manner.

Criteria: NMAC State statute 2.42.2.9(1) states “**Actual reimbursement for lodging:** A public officer or an employee may elect to be reimbursed actual expenses for lodging not exceeding the single occupancy room charge (including tax) in lieu of the per diem rate set forth in this Section. Whenever possible, public officers and employees should stay in hotels which offer government rates. Agencies, public officers or employees who incur lodging expenses in excess of \$215 per night must obtain the signature of the agency head or chairperson of the governing board on the travel voucher prior to requesting reimbursement and on the encumbering document at the time of encumbering the expenditure.”

Effect: Over payment of lodging expense without proper approval of agency head or chairperson of the governing board prior to travel is a violation of the NMAC State statute.

Cause: The County did not approve the rate over \$215 per night on the travel request before travel was taken.

Auditors’ Recommendations: The County should ensure that appropriate approval is obtained before an employee incurs lodging expense over the \$215 per night threshold.

Management Response: McKinley County will insure that all County employees, who travel, will be trained and informed of the current policy. If lodging is going to be exceeded, those in the approval process will alert the final approving authority regarding the matter.

Corrective Action: McKinley is scheduling training sessions for all County departments. In addition, the County is adding an extra internal control during the approval process, by the County Manager and/or Deputy County Manager, so that lodging amounts are verified. Corrective Action has been implemented immediately, starting October 24th, 2016.

Section IV – Section 12-6-5 NMSA 1978 Findings (continued)

FS 2015-002 — Internal Control Finding over Sick Bank Management- Finding that does not rise to the level of a Significant Deficiency -Repeated and Modified

Condition: During testwork over the County's Sick Bank policy we noted there was no review over the Sick Bank log maintained by HR and any entries that are made.

Since the prior year finding, management has implemented a process to maintain the input of newly donated hours and donation forms and has created a system to manage the balance of the sick bank, however management still needs to implement a review of the data.

Criteria: Proper internal controls over accounting records should be maintained and reviewed in a manner to promote accurate recording of County benefits, such as the Sick Bank.

Effect: Not having a review in place allows for erroneous entries and an inaccurate amount of available sick hours available in the bank. The inability to track the hours available could lead to abuse of the system.

Cause: The sick bank data entry has not been delegated to someone to review the balance, hours donated and hours used on a regular basis.

Auditors' Recommendations: The County should delegate someone to review all data entered into the Sick Bank spreadsheet being maintained. The review should be done by someone who is familiar with the Sick Bank policy and handles benefits. The person delegated should also be someone different than the person processing payroll and the person who is in charge of data entry to manage the sick bank.

Management Response: McKinley County has implemented a procedure for a 3rd person signature review. This 3rd person is not involved with the schedule preparation/data entry or payroll; and, is familiar with benefits.

Corrective Action: The Human Resources Director will place the signed review in the Sick Bank file timely. Corrective Action has been implemented immediately, starting October 24th, 2016.

Section IV – Section 12-6-5 NMSA 1978 Findings (continued)

NM 2016-001 — Internal Control Finding over P-Card Policy- Finding that does not rise to the level of a Significant Deficiency

Condition: During our disbursements walkthrough it was noted that the Accounts Payable department was verbally told all necessary in-town purchases of \$1,000 or less were authorized and approved by the purchasing department without advanced approvals. The County policy states only in-town purchase of \$500 or less are authorized.

Criteria: County P-Card Policy 2.3.3 states that purchase with P-Card up to \$500 can be made on an individual purchase on the P-Card, items above that must be done with a formal requisition and purchase order, unless the purchase is lodging, registration and finance pre-approvals.

Effect: Unauthorized purchases, especially between \$500 and \$1,000 are likely due to the confusion in policy.

Cause: The County's P-Card policy was never officially updated and taken to the board for full approval.

Auditors' Recommendations: RPC recommends that the updated P-Card policy is taken to the board for approval and that P-Card policy 2.3.3 is changed to reflect the corrected policy.

Management Response: McKinley will update the p-card policy to reflect the change and have the Board of Commissioners approve the change in a regularly scheduled meeting.

Corrective Action: The Policy Management team will be meeting in the next week to update the p-card policy and obtain the Board of Commissioners approval and adoption by December 31, 2016, if not earlier.

Section IV – Section 12-6-5 NMSA 1978 Findings (continued)

NM 2016-002 — Internal Control Finding over Benefits- Finding that does not rise to the level of a Significant Deficiency

Condition: During our payroll testwork it was noted that one out of ten payroll checks tested did not have FICA or Medicare deductions withheld from the check. Upon further inquiry it was noted that FICA and Medicare were not deducted for the first six payrolls. Additionally, one out of ten payroll checks tested had garnishments withheld for four checks after garnishment had been released and release letter was received.

Criteria: Federal law requires all employees have FICA and Medicare deducted from their payroll checks every pay period. State law requires that a garnishee only has paychecks garnished until amount on judgement has been paid off or a release of garnishment has been received.

Effect: Improperly listing benefits and deductions can result in both the County and employee having to back pay amounts to ensure all benefits and deductions are paid up-to-date. In addition, not paying the correct amounts is a violation of Federal and State law.

Cause: The County's internal controls and review processes were not properly executed to ensure that all deductions and benefits were properly added or removed from employees as necessary prior to payroll being run to ensure no errors were made.

Auditors' Recommendations: RPC recommends that all benefits and deductions are reviewed prior to sending information for payroll to be run for each pay period.

Management Response: McKinley County has implemented a double-check and sign-off procedure to verify that the benefits and deductions entered into the accounting system are accurate.

Corrective Action: The Human Resources department employees' making changes to employee's records will make sure all appropriate boxes are checked in the data entry program; in addition, a second Human Resources employee will verify the data entry in the program and sign off on the personnel action form. Payroll personnel will notify the Human resources department employee, who enters the data each pay period being cognizant of this and other deduction calculations that change on a periodic basis. Corrective Action has been implemented immediately, starting October 24th, 2016.

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

Schedule X
Page 8 of 8

Section V – Summary of Prior Year Audit Findings

FS 2015-001 – Internal Control Finding over Travel and Per Diem – Repeated/Modified

FS 2015-002 – Internal Control Finding over Sick Bank Management – Repeated/Modified

FS 2015-003 – Cash Adjustment – Resolved

STATE OF NEW MEXICO

McKinley County

Other Disclosures

June 30, 2016

Exit Conference

An exit conference was held on October 24, 2016. This conference was held in a closed meeting. In attendance were the following:

Representing McKinley County:

Carol Bowman-Muskett, Commission Chair-woman

Genevieve Jackson, County Commissioner

Anthony Tanner, County Commissioner

Anthony Dimas Jr., County Manager

Brian Money, Deputy County Manager

Earnest C. Becenti Jr., County Treasurer

Robert P. Griego, Chief Deputy Treasurer

Douglas W. Decker, County Attorney

Sara Keeler, Finance Director

Ron Caviggia, Procurement Manager

Dezirie Gomez, County HR Director

Representing RPC CPAs + Consultants, LLP:

Robert Cordova, CPA, Partner

Danny Martinez, CPA, Manager

Auditor Prepared Financial Statements

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