



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

SIERRA COUNTY

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

**STATE OF NEW MEXICO
SIERRA COUNTY
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FOR THE YEAR ENDED JUNE 30, 2018**

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

County Officials

<u>Name</u>	<u>Title</u>
Kenneth Lyon	County Commissioner Chairman
Frances Luna	County Commissioner - Vice Chairman
Sherry Fletcher	County Commissioner

Elected Officials

<u>Name</u>	<u>Title</u>
Keith Whitney	County Assessor
Shelly Trujillo	County Clerk
Glenn Hamilton	County Sheriff
Terri Copsin	County Treasurer
Tom Pestak	County Probate Judge

Administrative Officials

<u>Name</u>	<u>Title</u>
Bruce Swingle	County Manager
Becky Mena	Finance Director

INDEPENDENT AUDITOR'S REPORT

Mr. Brian Colón, State Auditor and
The Board of County Commissioners
Sierra County
Truth or Consequences, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Sierra County (the County), as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2018, and the respective changes in financial position, 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.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the 2018 financial statements have been restated due to GASB 75 implementation and misstatements. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require the Schedules related to the County's Proportionate Share of the Net Pension Liability of PERA, County's Contributions PERA Plan, County's Proportionate Share of the Net OPEB Liability and County's Contributions OPEB Plan listed as "Required Supplementary Information" in the table of contents 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 nonmajor fund financial statements, the schedule of changes in fiduciary assets and liabilities—agency funds as listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other schedules listed as "Other Supplementary Information" in the table of contents as required by 2.2.2 NMAC are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other schedules listed as "Other Supplementary Information" in the table of contents, required by 2.2.2 NMAC, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 additional schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Hinkle + Landers, P.C.
Albuquerque, NM
March 1, 2019

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

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and investments	\$ 8,207,148	130,978	8,338,126
NMFA cash- restricted	931,733	-	931,733
Property tax receivable, net	512,395	-	512,395
Other taxes receivable	829,957	13,221	843,178
Due from other governments	605,931	-	605,931
Total current assets	<u>11,087,164</u>	<u>144,199</u>	<u>11,231,363</u>
Non-current assets:			
Capital assets, net of accumulated depreciation	16,350,822	299,743	16,650,565
Total non-current assets	<u>16,350,822</u>	<u>299,743</u>	<u>16,650,565</u>
Total assets	<u>27,437,986</u>	<u>443,942</u>	<u>27,881,928</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferral	1,424,403	-	1,424,403
OPEB deferral	54,870	-	54,870
Total deferred outflows of resources	<u>1,479,273</u>	<u>-</u>	<u>1,479,273</u>
Total assets and deferred outflows of resources	<u>\$ 28,917,259</u>	<u>443,942</u>	<u>29,361,201</u>
LIABILITIES			
Current liabilities:			
Due to other governmental units	-	-	-
Accounts payable	190,667	1,025	191,692
Accrued payroll liabilities	68,658	1,198	69,856
Accrued interest payable	26,642	-	26,642
Notes payable - short-term portion	619,306	-	619,306
Capital lease payable - short-term portion	16,753	-	16,753
Unearned revenue	-	-	-
Compensated absences - short-term portion	127,764	-	127,764
Total current liabilities	<u>1,049,790</u>	<u>2,223</u>	<u>1,052,013</u>
Long-term liabilities:			
Compensated absences	-	-	-
Notes payable - long-term portion	8,505,230	-	8,505,230
Capital lease payable - long-term portion	46,843	-	46,843
Landfill liability	-	61,200	61,200
Net pension liability	4,810,163	-	4,810,163
Net OPEB liability	114,198	-	114,198
Total long-term liabilities	<u>13,476,434</u>	<u>61,200</u>	<u>13,537,634</u>
Total liabilities	<u>14,526,224</u>	<u>63,423</u>	<u>14,589,647</u>
Deferred inflows of resources			
Non-exchange transactions	-	-	-
Pension deferral	701,004	-	701,004
OPEB deferral	25,991	-	25,991
Total deferred inflows of resources	<u>726,995</u>	<u>-</u>	<u>726,995</u>
NET POSITION			
Net investment in capital assets	7,226,286	299,743	7,526,029
Restricted for:			
Other purposes	4,907,380	-	4,907,380
Reserve	564,037	-	564,037
Unrestricted	966,337	80,776	1,047,113
Total net position	<u>13,664,040</u>	<u>380,519</u>	<u>14,044,559</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 28,917,259</u>	<u>443,942</u>	<u>29,361,201</u>

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

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

Functions/Program	Expenses	Program Revenues			Net (Expenses), Revenues, and Changes in Net Position		
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business -Type Activities	Total
Primary government							
Governmental Activities:							
General government	\$ 3,571,841	418,173	548,409	197,985	(2,407,274)	-	(2,407,274)
Public safety	5,070,244	441,276	1,024,595	-	(3,604,373)	-	(3,604,373)
Highways and streets	1,126,760	59,043	186,097	-	(881,620)	-	(881,620)
Health and welfare	1,408,044	-	-	250,438	(1,157,606)	-	(1,157,606)
Culture and recreation	25,614	-	50,000	-	24,386	-	24,386
Debt service interest	270,889	-	-	-	(270,889)	-	(270,889)
Total governmental activities	<u>11,473,393</u>	<u>918,492</u>	<u>1,809,101</u>	<u>448,423</u>	<u>(8,297,377)</u>	<u>-</u>	<u>(8,297,377)</u>
Business -type activities							
Landfill	120,470	22,992	-	-	-	(97,478)	(97,478)
Total business-type activities	<u>120,470</u>	<u>22,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(97,478)</u>	<u>(97,478)</u>
Total primary government	<u>\$ 11,593,863</u>	<u>941,484</u>	<u>1,809,101</u>	<u>448,423</u>	<u>(8,297,377)</u>	<u>(97,478)</u>	<u>(8,394,855)</u>
General Revenues:							
Property taxes					\$ 4,351,148	-	4,351,148
Payment in lieu of taxes					1,336,642	-	1,336,642
Gross receipts					2,720,869	55,786	2,776,655
Gasoline, lodgers and other taxes					124,131	-	124,131
Investment income					154,706	119	154,825
Other revenues					364,947	-	364,947
Operating transfers, net					-	-	-
Total general revenues and transfers					<u>9,052,443</u>	<u>55,905</u>	<u>9,108,348</u>
Change in net position					755,066	(41,573)	713,493
Net position, beginning					6,062,926	186,896	6,249,822
Restatements					<u>6,846,048</u>	<u>235,196</u>	<u>7,081,244</u>
Net position, beginning restated					<u>12,908,974</u>	<u>422,092</u>	<u>13,331,066</u>
Net position, ending					<u>\$ 13,664,040</u>	<u>380,519</u>	<u>14,044,559</u>

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

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

	401	402	605	627	Nonmajor	Total
	General	Road	Correction	Flood	Governmental	Governmental
	Fund	Fund	Fund	Commission	Funds	Funds
	Fund	Fund	Fund	Fund	Funds	Funds
ASSETS						
Cash and investments	\$ 4,861,443	175,525	-	1,115,832	2,870,603	9,023,403
Property tax receivable	386,328	35,147	46,332	53,754	453,182	974,743
Other taxes receivable	483,087	-	-	-	-	483,087
Interest receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	605,931	605,931
Due from other funds	171,781	-	14,074	-	72,938	258,793
Total assets	<u>\$ 5,902,639</u>	<u>210,672</u>	<u>60,406</u>	<u>1,169,586</u>	<u>4,002,654</u>	<u>11,345,957</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Due to other funds	\$ -	99,810	62,039	-	96,944	258,793
Due to other governmental units	-	-	-	-	-	-
Accounts payable	32,753	7,177	65,967	160	84,610	190,667
Accrued payroll liabilities	48,671	6,818	-	1,098	12,071	68,658
Accrued interest payable	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-
Total liabilities	<u>81,424</u>	<u>113,805</u>	<u>128,006</u>	<u>1,258</u>	<u>193,625</u>	<u>518,118</u>
Deferred inflows of resources						
Property taxes	288,893	-	-	42,802	57,712	389,407
GRT equalization	282,725	-	-	-	-	282,725
Total deferred inflows of resources	<u>571,618</u>	<u>-</u>	<u>-</u>	<u>42,802</u>	<u>57,712</u>	<u>672,132</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	491,587	96,867	-	1,125,526	3,757,437	5,471,417
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	4,758,010	-	(67,600)	-	(6,120)	4,684,290
Total fund balance	<u>5,249,597</u>	<u>96,867</u>	<u>(67,600)</u>	<u>1,125,526</u>	<u>3,751,317</u>	<u>10,155,707</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,902,639</u>	<u>210,672</u>	<u>60,406</u>	<u>1,169,586</u>	<u>4,002,654</u>	<u>11,345,957</u>

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

**STATE OF NEW MEXICO
SIERRA COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
TO STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

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

Total fund balance - total governmental funds	\$	10,155,707
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		16,350,822
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet:		
Notes payable		(8,505,230)
Compensated absences		-
Capital lease payable		(46,843)
Net pension related deferrals and liability		(4,086,764)
Net OPEB related deferrals and liability		(85,319)
Other current liabilities are not available to pay for current periods expenditures and therefore are deferred in the funds:		
Accrued interest payable		(26,642)
Notes payable		(619,306)
Capital lease payable		(16,753)
Compensated absences		(127,764)
In order to convert to the full accrual basis of accounting, it is necessary to recognize deferred inflows of property tax revenue, and other intergovernmental revenues earned, as revenue.		672,132
Differences due to rounding		-
Net position of governmental activities	\$	13,664,040

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

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

	401	402	605	627	Nonmajor	Total
	General	Road	Correction	Flood	Governmental	Governmental
	Fund	Fund	Fund	Commission	Funds	Funds
REVENUES						
Intergovernmental sources - federal	\$ -	163,377	-	-	25,125	188,502
Intergovernmental sources - state	356,000	-	34,986	-	1,596,474	1,987,460
Local and state shared taxes	1,095,295	116,209	223,247	-	1,295,449	2,730,200
Property taxes	3,178,388	-	-	441,112	-	3,619,500
Payment in lieu of taxes	1,336,642	-	-	-	595,632	1,932,274
Charges for services	200,998	239,617	116,050	32,901	360,452	950,018
Interest	142,372	-	-	-	-	142,372
Other revenue	106,331	43,440	5	3,616	159,620	313,012
Total revenues	<u>6,416,026</u>	<u>562,643</u>	<u>374,288</u>	<u>477,629</u>	<u>4,032,752</u>	<u>11,863,338</u>
EXPENDITURES						
Current						
General government	1,776,899	7,017	-	11,393	443,031	2,238,340
Public safety	2,566,249	-	889,366	1,060	1,722,931	5,179,606
Highways and streets	3,338	741,054	-	-	422,780	1,167,172
Health and welfare	310	-	-	116,193	1,322,007	1,438,510
Culture and recreation	15,746	-	-	-	9,868	25,614
Debt Service						
Principal payments	3,705,878	-	167,808	-	332,934	4,206,620
Interest payments	153,405	-	-	-	135,523	288,928
Capital Outlay						
Capital outlay	19,500	76,930	38,577	-	173,811	308,818
Total expenditures	<u>8,241,325</u>	<u>825,001</u>	<u>1,095,751</u>	<u>128,646</u>	<u>4,562,885</u>	<u>14,853,608</u>
Excess (deficiency) of revenues over expenditures	<u>(1,825,299)</u>	<u>(262,358)</u>	<u>(721,463)</u>	<u>348,983</u>	<u>(530,133)</u>	<u>(2,990,270)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from loan issuance	3,680,424	-	-	-	-	3,680,424
Transfers in	129,435	460,903	583,585	-	711,364	1,885,287
Transfers out	(1,455,915)	-	(12,000)	(30,000)	(387,372)	(1,885,287)
Total other financing sources (uses)	<u>2,353,944</u>	<u>460,903</u>	<u>571,585</u>	<u>(30,000)</u>	<u>323,992</u>	<u>3,680,424</u>
Net change in fund balance	528,645	198,545	(149,878)	318,983	(206,141)	690,154
Fund balances-beginning of year	4,720,952	(101,678)	82,278	806,543	3,431,777	8,939,872
Restatements	-	-	-	-	525,681	525,681
Fund balances-beginning of year, as restated	<u>4,720,952</u>	<u>(101,678)</u>	<u>82,278</u>	<u>806,543</u>	<u>3,957,458</u>	<u>9,465,553</u>
Fund balances-end of the year	<u>\$ 5,249,597</u>	<u>96,867</u>	<u>(67,600)</u>	<u>1,125,526</u>	<u>3,751,317</u>	<u>10,155,707</u>

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

**STATE OF NEW MEXICO
SIERRA 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, 2018**

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

Net change in fund balance - total governmental funds	\$	690,154
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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 as depreciation expense. In addition, donations and disposals of capital assets do not affect current financial resources in governmental funds, but do affect capital assets in the statement of net position. In the current period these amounts are:

Depreciation expense		(1,391,312)
Capital asset additions		889,214

In the Statement of Activities, a loss is recorded for assets that are removed from service that are not fully depreciated. Thus, the change in net position differs from the change in fund balance by the amount of loss recorded for deleted capital assets.

-

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

Amortization of bond discounts		-
Amortization of bond premiums		-
Decrease in accrued interest		18,038
Proceeds from loan issuance		(3,680,424)
Principal payments on long-term debt payable		4,206,281
Principal payments on capital lease		16,033

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Pension expense		(274,554)
OPEB expense		50,331
Change in compensated absences		(21,333)

Transfer of capital asset to business-type activity

-

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. This amount represents the change in deferred inflows of resources related to delinquent property taxes and other intergovernmental revenues.

Change in deferred inflows related to property taxes		136,016
Change in deferred inflows related to derived tax revenue		114,800

Other reconciling items		1,822
Change in net position of governmental activities	\$	755,066

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

**STATE OF NEW MEXICO
SIERRA COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Original Approved Budget	Final Approved Budget	Actual	Variances Favorable (Unfavorable)
REVENUES				
Intergovernmental sources - federal	\$ -	-	-	-
Intergovernmental sources - state	350,000	356,000	356,000	-
Local and state shared taxes	1,220,000	1,298,994	1,207,785	(91,209)
Property taxes	3,290,000	3,290,000	3,313,377	23,377
Payment in lieu of taxes	1,166,412	1,166,412	1,336,642	170,230
Charges for services	210,525	219,700	200,617	(19,083)
Interest	334,200	334,200	234,292	(99,908)
Other revenue	57,150	123,682	106,331	(17,351)
Total revenues	6,628,287	6,788,988	6,755,044	(33,944)
EXPENDITURES				
Current:				
General government	2,173,439	7,145,923	1,866,684	5,279,239
Public safety	2,875,581	3,588,141	2,574,135	1,014,006
Highways and streets	3,500	3,714	3,282	432
Health and welfare	500	500	310	190
Culture and recreation	29,400	30,165	15,885	14,280
Debt Service				
Principal payments	244,428	393,422	308,900	84,522
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	-	49,500	19,500	30,000
Total expenditures	5,326,848	11,211,365	4,788,696	6,422,669
Excess (deficiency) of revenues over (under) expenditures	1,301,439	(4,422,377)	1,966,348	6,388,725
OTHER FINANCING SOURCES (USES)				
Proceeds from loan issuance	-	-	-	-
Transfers in	-	-	32,974	32,974
Transfers out	1,547,011	1,771,941	(1,455,915)	(3,227,856)
Total other financing sources (uses)	1,547,011	1,771,941	(1,422,941)	(3,194,882)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	2,848,450	(2,650,436)	543,407	3,193,843
Budgeted cash carryover	-	2,650,436		
Total	\$ 2,848,450	-		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ 543,407	
To adjust applicable revenue accruals and deferrals			(385,079)	
To adjust applicable expenditure accruals			370,317	
Change in fund balance (GAAP basis)			\$ 528,645	

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

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

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Intergovernmental sources - federal	\$ -	-	163,377	163,377
Intergovernmental sources - state	254,000	257,053	-	(257,053)
Local and state shared taxes	-	-	116,657	116,657
Property taxes	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	239,286	239,286
Interest	-	-	-	-
Other revenue	-	-	43,440	43,440
Total revenues	254,000	257,053	562,760	305,707
EXPENDITURES				
Current:				
General government	6,400	7,000	7,017	(17)
Public safety	-	-	-	-
Highways and streets	785,800	784,245	746,164	38,081
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	36,704	116,297	116,223	74
Total expenditures	828,904	907,542	869,404	38,138
Excess (deficiency) of revenues over (under) expenditures	(574,904)	(650,489)	(306,644)	343,845
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term capital-related debt	-	-	-	-
Transfers in	(578,062)	(578,062)	460,903	1,038,965
Transfers out	-	-	-	-
Total other financing sources (uses)	(578,062)	(578,062)	460,903	1,038,965
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(1,152,966)	(1,228,551)	154,259	1,382,810
Budgeted cash carryover	1,152,966	1,228,551		
Total	\$ -	-		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ 154,259	
To adjust applicable revenue accruals and deferrals			(35,147)	
To adjust applicable expenditure accruals			79,433	
Change in fund balance (GAAP basis)			\$ 198,545	

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

STATE OF NEW MEXICO
SIERRA COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CORRECTION FUND (605) - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Intergovernmental sources - federal	\$ -	-	-	-
Intergovernmental sources - state	350,000	356,000	34,986	(321,014)
Local and state shared taxes	1,220,000	1,298,994	320,890	(978,104)
Property taxes	3,290,000	3,290,000	-	(3,290,000)
Payment in lieu of taxes	1,166,412	1,166,412	-	(1,166,412)
Charges for services	210,525	219,700	116,050	(103,650)
Interest	334,200	334,200	-	(334,200)
Other revenue	57,150	123,682	5	(123,677)
Total revenues	<u>6,628,287</u>	<u>6,788,988</u>	<u>471,931</u>	<u>(6,317,057)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	1,326,268	1,250,691	908,452	342,239
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service:				
Principal payments	104,000	166,000	167,808	(1,808)
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	-	63,577	38,577	25,000
Total expenditures	<u>1,430,268</u>	<u>1,416,691</u>	<u>1,076,260</u>	<u>340,431</u>
Excess (deficiency) of revenues over (under) expenditures	5,198,019	5,372,297	(604,329)	(5,976,626)
OTHER FINANCING SOURCES (USES)				
Proceeds from loan issuance	-	-	-	-
Transfers in	(882,430)	(882,430)	583,585	1,466,015
Transfers out	-	-	(12,000)	(12,000)
Total other financing sources (uses)	<u>(882,430)</u>	<u>(882,430)</u>	<u>571,585</u>	<u>1,454,015</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>4,315,589</u>	<u>4,489,867</u>	<u>(32,744)</u>	<u>(4,522,611)</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Total	<u>\$ 4,315,589</u>	<u>4,489,867</u>		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ (32,744)	
To adjust applicable revenue accruals and deferrals			(46,332)	
To adjust applicable expenditure accruals			<u>79,195</u>	
Change in fund balance (GAAP basis)			<u>\$ 119</u>	

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

**STATE OF NEW MEXICO
SIERRA COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FLOOD COMMISSION FUND (627)
FOR THE YEAR ENDED JUNE 30, 2018**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Intergovernmental sources - federal	\$ -	-	-	-
Intergovernmental sources - state	-	-	-	-
Local and state shared taxes	-	-	-	-
Property taxes	370,942	462,378	462,378	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	32,902	32,902	-
Interest	1,101	1,601	3,616	2,015
Other revenue	-	-	-	-
Total revenues	<u>372,043</u>	<u>496,881</u>	<u>498,896</u>	<u>2,015</u>
EXPENDITURES				
Current:				
General government	15,000	15,000	11,393	3,607
Public safety	1,000	1,000	1,060	(60)
Highways and streets	-	-	-	-
Health and welfare	354,942	358,048	116,242	241,806
Culture and recreation	-	-	-	-
Debt Service				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	-	-	-	-
Total expenditures	<u>370,942</u>	<u>374,048</u>	<u>128,695</u>	<u>245,353</u>
Excess (deficiency) of revenues over (under) expenditures	1,101	122,833	370,201	247,368
OTHER FINANCING SOURCES (USES)				
Proceeds from loan issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(30,000)	(30,000)
Total other financing sources (uses)	-	-	<u>(30,000)</u>	<u>(30,000)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>1,101</u>	<u>122,833</u>	<u>340,201</u>	<u>217,368</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Total	<u>\$ 1,101</u>	<u>122,833</u>		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ 340,201	
To adjust applicable revenue accruals and deferrals			(116,949)	
To adjust applicable expenditure accruals			<u>95,731</u>	
Change in fund balance (GAAP basis)			<u>\$ 318,983</u>	

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

**SIERRA COUNTY
 PROPRIETARY FUNDS
 STATEMENTS OF NET POSITION
 AS OF JUNE 30, 2018**

		405 Solid Waste Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$	130,978
Accounts receivable, net		-
Taxes receivable		13,221
Total current assets		144,199
Non-current assets:		
Land and land improvements		15,026
Capital assets, net		284,717
Total non-current assets		299,743
Total assets		443,942
Deferred outflows of resources		
Pension deferral		-
		-
Total assets and deferred outflows of resources	\$	443,942
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
LIABILITIES		
Current liabilities:		
Accounts payable	\$	1,025
Due to other funds		-
Accrued payroll liabilities		1,198
Total current liabilities		2,223
Non-current liabilities:		
Landfill closure liability		61,200
Total non-current liabilities		61,200
Total liabilities		63,423
Deferred inflows of resources		
Pension deferral		-
		-
NET POSITION		
Net investment in capital assets		299,743
Restricted for:		
Customer deposits		-
Other purposes		-
Unrestricted		80,776
Total net position		380,519
Total liabilities, deferred inflows of resources, and net position	\$	443,942

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

**SIERRA COUNTY
 PROPRIETARY FUNDS
 STATEMENTS OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2018**

		405 Solid Waste Fund
OPERATING REVENUES		
Charges for services	\$	22,992
Other revenue		-
Total operating revenues		22,992
OPERATING EXPENSES		
Personnel services -salaries and wages		34,481
Personnel services -employee benefits		8,982
Professional and contract services		-
Repairs and maintenance		2,807
Other operating expenses		30,264
Depreciation		43,936
Total operating expenses		120,470
Operating income (loss)		(97,478)
NON-OPERATING REVENUES (EXPENSES)		
Gross receipts tax		55,786
Interest expense -non-operating		-
Interest income		119
Total non-operating revenues (expenses)		55,905
Income (loss) before transfers		(41,573)
Transfers in		(37,500)
Transfers out		37,500
Total transfers in (out)		-
Change in net position		(41,573)
Beginning net position		186,896
Restatement		235,196
Beginning net position-as restated		422,092
Net position-end of the year	\$	380,519

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

**SIERRA COUNTY
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2018**

	405 Solid Waste Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 22,992
Payments to employees	(44,188)
Payments to suppliers	(32,750)
Other receipts/(payments)	-
<i>Net cash provided (used) by operating activities</i>	(53,946)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Tax revenues	50,269
Transfers from other funds	(37,500)
Transfers to other funds	37,500
<i>Net cash provided by (used for) noncapital financing activities</i>	50,269
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of capital assets	-
Grant revenue	-
<i>Net cash provided by (used for) capital and related financing activities</i>	-
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends	119
<i>Net cash provided by (used for) investing activities</i>	119
Net increase/(decrease) in cash and cash equivalents	(3,558)
Balances - beginning of year	134,536
Balances - end of year	\$ 130,978
 Reconciliation of operating income (loss) to net cash provided by operating activities	
Operating income (loss)	(97,478)
Depreciation	43,936
Changes in operating assets and liabilities	
Accounts receivable	-
Accounts payables	321
Accrued liabilities	(725)
Net cash provided (used) by operating activities	(53,946)

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

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

		Agency Funds
ASSETS		
Cash and investments	\$	72,428
Receivables - property tax		417,482
Due from other governmental units		80,538
Total assets	\$	570,448
LIABILITIES		
Due to other governmental units	\$	481,949
Deposits held in trust for others		88,499
Total liabilities	\$	570,448

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Description and Reporting Entity

Sierra County (the “County”) is a political subdivision of the State of New Mexico established in 1884 under the provisions of Section 4-5-1 of NMSA, 1978 Compilation and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commissioners-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, sanitation, planning and zoning, property assessment, tax collection and general administrative services.

The 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 the County is presented to assist in the understanding of the County’s financial statements. The financial statements and notes are the representation of the County’s management that 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. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

Reporting Entity

GASB Statement No. 14, as amended by GASB Statement No. 61, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the County is considered the primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the County may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The County has no *component units*, as defined by GASB Statement No. 14, as there are no other legally separate organizations for which the elected Commissioners are financially accountable. Also, the County has no tax abatement agreements and therefore, no disclosures under GASB 77 are required.

Basic Financial Statements – GASB Statements No. 34, No. 63, and No. 65

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. The reporting model focuses on either the County as a whole or major individual funds (within the basic financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type activities. In the government-wide Statement of Net Position, both governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

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

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general government, public safety, etc.). The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenues (taxes, intergovernmental revenues, interest income, etc.). Historically, the previous mode did not summarize or present net cost by function or activity. The County does not currently employ indirect cost allocation systems.

This government-wide focus is more on the sustainability of the County as an entity and in aggregate financial position resulting from activities of the current fiscal period.

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting.

This presentation is deemed appropriate to:

- a) demonstrate legal compliance,
- b) demonstrate the source and use of liquid resources, and
- c) demonstrate how the County's actual experience conforms to the budget or fiscal plan.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental activities column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column on the governmental-wide presentation.

Internal activity between the various funds is eliminated in the government-wide financial statements. Interfund receivables and payables at June 30, 2018, have been eliminated. These consist of amounts titled "Interfund receivable (payable)" and "Due from (to) other funds."

The County's fiduciary funds (agency funds) are presented in the fund financial statements. Since by definition these assets are being held for the benefit of third parties and cannot be used to address activities or obligations of the County, these funds are presented separately in the governmental funds and are not incorporated into the government-wide statements.

Basis of Presentation

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the County are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and description of each existing fund type follow.

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

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

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

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

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

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

Under the requirements of GASB Statement No. 34, the County is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following:

General Fund—The primary operating fund of the County accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is always considered to be a major fund.

Road Fund—To account for revenues and expenditures of the County road improvement fund for the construction of street, road, walkway, bridge, overpass, pathway, alley, curb, gutter or sidewalk projects (Section 7-1-6.26 NMSA, 1978).

Correction Fund—To account for fees assessed for the housing of prisoners and is used for maintenance of the County jail (Section 35-14-11 NMSA, 1978)

Flood Commission Fund— To account for taxes levied on property in Sierra County to establish the Office of County Flood Commissioner as authorized in Section 4-50-1 NMSA 1978 and County Resolution 88- 069.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as intergovernmental revenue and investment earnings, result from nonexchange transactions or ancillary activities.

The following is the County’s major proprietary fund:

The Landfill Fund—To account for the provision of garbage and refuse removal services to the residents of the County. All activities necessary to provide such services are accounted for in this 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 also used to account for collection and disbursement of inmate funds for the County Detention Center. In addition, the agency fund will track and account for items held for Sierra Valley hospital that has been levying taxes from taxpayers.

Basis of Accounting

Government-Wide, Propriety, and Fiduciary Fund Financial Statements—The government-wide, propriety, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental Fund Financial Statements—Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues

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

are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Revenue from derived taxes (sales taxes, gas taxes, and motor vehicle taxes) is recognized when the underlying transaction takes place (when the retail sale is generated). Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Property Taxes

The County Treasurer receives deposits of monies from and collects taxes for the various County funds and other entities located within the County. These monies are deposited by the Treasurer into banks. In the accompanying financial statements, monies held for other than County entities are presented as agency fund monies.

Taxes are collected directly from taxpayers by the County with the Treasurer acting as an employee of the County and as an agent for the entities for whom the collections are ultimately distributed.

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

Chapter 7, Articles 35 through 38, NMSA 1978, is the Property Tax Code. The code provides for valuation, administration and enforcement of property taxes. The Department of Finance and Administration (DFA) sets tax rates for the governmental units sharing in the tax.

The Constitution of the State of New Mexico provides the following maximum tax rates and restrictions concerning the use of tax proceeds.

Taxes levied upon tangible property shall be in proportion to the value thereof and taxes shall be equal and uniform upon subjects of taxation of the same class. Different methods may be provided by law to determine value of different kinds of property, but the percentage of value against which tax rates are assessed shall not exceed thirty-three and one-third percent. The Legislature shall provide by law for the valuation of residential property for property taxation purposes in a manner that limits annual increases in valuation of residential property. The limitation may be applied to classes of residential property taxpayers based on owner-occupancy, age or income. The limitations may be authorized state-wide or at the option of a local jurisdiction and may include conditions under which the limitation is applied. Any valuation limitations authorized as a local jurisdiction option shall provide for applying state-wide or multi-jurisdictional property tax rates to the value of the property as if the evaluation increase limitation did not apply.

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

Taxes levied upon real or personal property for state revenue shall not exceed four mils annually on each dollar of the assessed valuation thereof except for the support of the educational, penal and charitable institutions of the State, payment of the State debt and interest thereon; and the total annual tax levy upon such property for all State purposes exclusive of necessary levies for the state debt shall not exceed ten mils provided, however, that taxes levied upon real or personal tangible property for all purposes, except special levies on specific classes of property and except necessary levies for public debt, shall not exceed twenty mils annually on cash dollar of the assessed valuation thereof, but laws may be passed authorizing additional taxes to be levied outside of such limitations when approved by at least a majority of the qualified electors of the taxing district who paid a property tax therein during the preceding year voting on such proposition.

The County charged mil rates for the 2018 property tax year as follows:

Tax District	Residential	Non- residential	Sierra County Hospital
T or C in	20.605	23.553	2.000
T or C out	19.142	21.328	2.000
Williamsburg in	20.736	23.552	2.000
Elephant Butte in	23.367	25.553	2.000
Underwood Watershed	4.718	5.000	2.000
Sierra Flood District (combined)	1.5	1.5	
Sierra SWCD	1.000	1.000	
Caballo SWCD	1.000	1.000	

Budgetary Information

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the County submits a proposed budget to the Local Government Division of the DFA.
2. The Local Government Division shall:
 - a. Examine each proposed budget, and on or before July 1 of each year, approve and certify for the County an operating budget for use pending approval of a final budget;
 - b. Hold public hearings on proposed budgets;
 - c. Make such corrections, revisions, and amendments to proposed budgets as may be necessary to meet the requirements of law;
 - d. Certify a final budget for the County prior to the first Monday of September of each year. Such budgets, when approved, shall be binding upon all officials of the State;
 - e. Upon the approval of the director of the DFA, authorize the transfer of funds from one budget item to another when such transfer is requested and an emergency condition exists meriting such transfer and such transfer is not prohibited by law. In case of emergency necessitating the expenditure for item or items not provided for in the budget, upon approval of the director of the DFA, the budget may be revised to authorize such expenditures;
 - f. With written approval of the director of the DFA, increase the total budget of the County in the event the County undertakes an activity, service, project or construction program which was not contemplated at the time of the final budget was adopted and approved and which activity, service, project or construction program will produce sufficient revenue to cover

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such increase in the budget or the County has surplus funds on hand not necessary to meet the expenditures provided for in the budget with which to cover such increase in the budget;

- g. Supervise the disbursement of funds to the end that expenditures will not be made in excess of budgeted items or for items not budgeted and that there will not be illegal expenditures;
 - h. Prescribe the form for all budgets, books, records and accounts for the County; and
 - i. With the approval of the director of the DFA, make rules and regulations relating to budgets, records, reports, handling and disbursement of public funds, or in any matter relating to the financial affairs of the County.
3. The County Manager is authorized to transfer budgeted amounts between departments within any fund.
 4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund.
 5. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Fund are adopted on a basis inconsistent with GAAP. Budgetary and actual comparisons presented for these funds in this report are on the non-GAAP (cash) budgetary basis.
 6. Budgeted amounts are as originally adopted, or as amended by the County Commissioners and approved by the DFA.
 7. The level of classification detail in which expenditures may not legally exceed appropriations for budget is at the fund level.

Assets, Liabilities, and Net Position/Fund Balance

Deposits and Investments

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

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

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

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property tax receivables are recognized when levied net of estimated refunds and uncollectible amounts, if applicable. Based upon management's estimate, all receivables are deemed fully collectible.

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

Prepaid items

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

Inventory

Sierra County values inventory at lower of cost or market value. The method that the County uses is the

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consumption approach. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed.

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. Debt service cash is restricted for future debt payments.

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 or business-type 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. Sierra County was a Phase I government for purposes of implementing GASB Statement No. 34. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to 1980) is included as part of the governmental capital assets reported in the government-wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

<u>Asset Type</u>	<u>Years</u>
Buildings	40
Improvements	10-40
Machinery and equipment	5-10
Infrastructure (roads)	4-20
Software and library	5-8

Accrued Expenses

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

Unearned Revenue and Deferred Outflows/ Inflows of Resources

The County reports unearned revenues on its statement of net position and funds balance sheet. Unearned revenues arise when resources are received by the County before it has legal claim to them. Delinquent property taxes receivable are not considered available financial resources and therefore are reported as deferred inflows of resources in the fund financial statements. In subsequent periods, when the County has a legal claim to the resources, the deferred inflows of resources for unavailable revenue is removed from the balance sheet and the revenue is recognized.

Deferred outflows of resources, represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an expense or expenditure until then. The County's only deferred outflows are related to the County's participation in the Public Employees Retirement Association (PERA) defined benefit plan under Governmental Accounting Standards Board (GASB) Statement No. 68 and participation in OPEB plan through the Retiree Healthcare Fund..

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Deferred inflows of resources, represents an acquisition of net position/fund balance that applied to a future period and so will not be recognized until then. The County reports deferred inflows of resources for unavailable property tax revenue, as well as for the County's participation in the PERA defined benefit plan under GASB Statement No. 68 and in the OPEB plan through the Retiree Health Care Fund.

Compensated Absences

Qualified employees are entitled to accumulate annual leave according to a graduated annual leave schedule. Depending on the length of service, employees may accrue 15 to 18 days per year. Annual leave may be accumulated from year to year up to a maximum of 30 days. Annual leave balances in excess of 30 days as of December 31 of any calendar year will be lost. The employee or the employee's estate will be paid for each day of the unused annual leave at the time of the employee's voluntary or involuntary termination, retirement, death, or total disability up to a maximum of 30 days plus the number of days accrued and unused during the current calendar year.

Qualified employees are entitled to accumulate sick leave at a rate of 12 days per year. There is an accrual limitation of 75 hours. Upon separation or retirement of an employee who has served five or more years, the County shall pay the employee a sum equal to 25% of the value of the accumulated and unused sick leave, based on his/her average rate of pay for the preceding 12 months. Part-time employees accrue sick leave on a pro-rata basis. Casual and temporary employees do not accrue 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 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 Liabilities

In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. There were no bond premiums or discounts at June 30, 2018.

Pension

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

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities less deferred inflows of resources. The County classifies net position in the government-wide fund financial statements as follows:

- *Net Investment in Capital Assets* includes the County's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds.

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- *Restricted Net Position* includes assets that have limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments (statutory, bond covenant, or granting agency). The County typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.
- *Unrestricted Net Position* typically includes the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment of capital assets or restricted net position.

Fund Balance

GASB Statement No. 54 requires fund balance amounts to be reported within one of the fund balance categories list below:

- *Nonspendable*—includes amounts that cannot be spent because (1) they are either not in spendable form or (2) they are legally or contractually required to be maintained intact.
- *Restricted*—fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed*—fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government’s highest level of decision-making authority removes or changes the specified use by taking the same action it employed to previously commit those amounts. The County Commission establishes (and modifies or rescinds) fund balance commitments by passage of a resolution.
- *Assigned*—fund balance classification intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
- *Unassigned*—fund balance is the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications.

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

Minimum Fund Balance Policy

According to New Mexico State Statute and the DFA, the County is required to reserve 3/12ths of the general fund’s budgeted expenditures for subsequent year expenditures as a reserve requirement. The DFA also requires that 1/12th of the road fund budgeted expenditures be reserved. These balances are reported as restricted fund balance for subsequent years expenditures in the general fund and the road fund. Reserves can be spent during the course of the fiscal year as long as they are replenished by fiscal year-end.

Interfund Transactions

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported

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amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Income Taxes

As a local government entity, the County is not subject to federal or state income taxes.

NOTE 2—CASH AND INVESTMENTS

Cash

State statute authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. The County is not aware of any invested funds that did not meet the state investment requirements as of June 30, 2018.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more financial institution 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.

Cash and investments at June 30, 2018, consist of the following:

Account Type	Amount
Cash and investments	
Deposits	\$ 8,068,427
Local government investment pool	342,127
NMFA cash - restricted	931,733
Total cash and investments	9,342,287
Less cash and cash equivalents reported in the agency fund statemetn of fiduciary net position	(72,428)
Total cash and cash equivalents reported in the statement of net position	\$ 9,269,859

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.

According to the Federal Deposit Insurance Corporation (FDIC), public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 per respective institution.

Pledged Collateral

New Mexico statutes provide that deposits of public monies in financial institutions must be secured by pledged collateral in an aggregate value equal to one-half of the amount of the public monies deposited after deducting the amount of Federal Deposit Insurance Corporation insurance coverage for each financial institution.

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Pledged collateral for the County's deposits is shown below at June 30, 2018:

Demand deposits accounts	\$	7,224,936
Certificates of deposits		991,655
Money market deposit accounts		260,736
Total deposits		8,477,327
Less FDIC coverage		(349,947)
Uninsured public funds		8,127,380
50% collateral requirement		4,063,690
Pledged securities, fair value		5,390,142
Pledged collateral over the requirement	\$	1,326,452

Custodial Credit Risk

Custodial credit is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's policy regarding custodial credit risk is to comply with Section 6-10-17, NMSA 1978.

As of June 30, 2018, the County's bank and investment balances of \$9,409,060 were exposed to custodial credit risk as follows:

Uninsured, collateralized with securities held by pledging financial institution's trust department or agent in the County's name.	\$	8,127,380
Uninsured and uncollateralized		-
Total uninsured deposits	\$	8,127,380

Investments: State Treasurer Local Governmental Investment Pool

As of June 30, 2018, the County has the following invested in the State Treasurer Local Government Investment Pool:

Account Type	Amount	Weighted Average Maturity (WAM)
Local government investment pool	342,127	N/A

New Mexico State Statutes authorize the creation of the short-term investment fund in the New Mexico State Treasury. The Statutes authorize the State Treasurer to pool monies received from local public bodies for investment purposes with public monies under control. The purpose of the local short-term fund is to provide a voluntary investment alternative for local political subdivisions to realize the maximum return consistent with safe and prudent management. The local short-term investment fund, along with other public monies in the State Treasurer's investment account, is invested in repurchase agreements secured at 102% by U.S. Government Securities. The State Treasurer has the responsibility to pledge collaterals at 102% of investment balances for the County. All investing is performed in accordance with State Statutes and the County's investment policy. Per review of GASB Statement No. 72, the State Treasurer Local Government Investment Pool is exempt from GASB 72, and should continue to be measured and disclosed in accordance with existing literature.

The investments are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 67-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government, or by its departments or agencies and are either direct obligations of the United States, or are backed by the full faith and credit of the United States government, or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly

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proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the location government investment pool is voluntary.

The LGIP's portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investment to rising interest rates. In general, the longer the WAM, the more susceptible the fund is to rising interest rates.

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The County has no investment policy that would further limit its investment choices. As of June 30, 2018, the County's investment in the New Mexico Local Government Investment Pool (LGIP) was rated AAAM by Standard & Poor's. The independent auditor's report, together with the financial statements, the accompanying notes to the financial statements, and the independent auditor's report on compliance and internal controls are available from New Mexico State Treasurer, 2019 Galisteo Street, Bldg K, Santa Fe, New Mexico 87504, upon written request.

Credit Risk LGIP – With respect to credit risk, the LGIP, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.

Concentration of Risk – GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure.

Foreign Currency Risk – GASB Statement No. 40 defines interest rate risk that interest rate variation may adversely affect the fair value of an investment. The County is not exposed to the risk that exchange rates will adversely affect the fair value of an investment as none of the investments pools or certificates of deposit are dominated in a foreign currency.

The County utilizes pooled accounts for their funds.

NOTE 3—FAIR VALUES MEASUREMENT (GASB 72)

The County holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the County's mission, the County determines that the disclosures related to these investments only need to be disaggregated by major type.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- **Market approach:** this uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- **Cost approach:** this technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- **Income approach:** this approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Valuation techniques should be applied consistently, though a change may be appropriate in certain circumstances. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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GASB 72 establishes a hierarchy of inputs to the valuation techniques listed above. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy's three levels are as follows:

Level 1

Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. (Examples: equity securities traded on an open market, actively traded mutual funds, and US treasuries)

Level 2

Are significant other observable inputs

- a) Quoted prices for similar assets or liabilities in active markets.
- b) Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c) Inputs other than quoted prices that are observable for the asset or liability, such as:
 - 1. Interest rates and yield curves observable at commonly quoted intervals,
 - 2. Implied volatilities, and
 - 3. Credit spreads.
- b) Market-corroborated inputs.

(Examples: a bond valued using market corroborated inputs such as yield curves, a bond valued using matrix pricing, and an interest rate swap valued using the LIBOR swap rate observed at commonly quoted intervals for the full term of the swap)

Level 3

Are significant unobservable inputs for an asset or liability (Examples: Commercial real estate valued using a forecast of cash flows based on a university's own data and an interest rate swap valued using data that is neither directly observable nor corroborated by observable market data)

See Note 2 for the County's recurring fair value measurements as of June 30, 2018.

NOTE 4—INTERFUND RECEIVABLES/PAYABLES

In the fund financial statements, total cash and investments are reported in the general fund. Cash in other governmental funds is reported as "due from other funds" (or as "due to other funds" in the case of a fund overdraft) with a corresponding amount in the general fund. These are summarized as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds		
General Fund	\$ 129,435	(1,455,915)
Road fund	460,903	-
Correction fund	583,585	(12,000)
Flood Commission fund	-	(30,000)
Nonmajor governmental funds	711,364	(387,372)
	\$ 1,885,287	(1,885,287)

These interfund receivables and payables are eliminated in the government-wide financial statements.

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NOTE 5—CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2018 follows. Land and construction in progress are not subject to depreciation.

GOVERNMENTAL ACTIVITIES	Balance June 30, 2017	Additions	Re-Class/ Deletions	Restatements	Balance June 30, 2018
Non-depreciable capital assets:					
Land and improvements	\$ 998,760	-	-	1,569,282	2,568,042
Construction in progress	-	-	-	-	-
Total non-depreciable capital assets	<u>998,760</u>	<u>-</u>	<u>-</u>	<u>1,569,282</u>	<u>2,568,042</u>
Capital assets being depreciated:					
Buildings and improvements	15,186,221	125,865	(2,941,668)	4,021	12,374,439
Vehicles, machinery, and equipment	5,971,195	557,731	-	58,260	6,587,186
Road network, levies and bridges	<u>12,244,553</u>	<u>205,618</u>	<u>2,941,668</u>	<u>1,800,286</u>	<u>17,192,125</u>
Total capital assets being depreciated	<u>33,401,969</u>	<u>889,214</u>	<u>-</u>	<u>1,862,567</u>	<u>36,153,750</u>
Less accumulated depreciation for:					
Buildings and improvements	(15,015,844)	(371,777)	9,933,689	1,597,817	(3,856,115)
Vehicles, machinery, and equipment	(4,759,370)	(506,465)	-	455,017	(4,810,818)
Road network, levies and bridges	<u>(5,082,156)</u>	<u>(513,070)</u>	<u>(9,933,689)</u>	<u>1,824,878</u>	<u>(13,704,037)</u>
Total accumulated depreciation	<u>(24,857,370)</u>	<u>(1,391,312)</u>	<u>-</u>	<u>3,877,712</u>	<u>(22,370,970)</u>
Total capital assets being depreciated	<u>8,544,599</u>	<u>(502,098)</u>	<u>-</u>	<u>5,740,279</u>	<u>13,782,780</u>
Total capital assets, net of depreciation	<u>\$ 9,543,359</u>	<u>(502,098)</u>	<u>-</u>	<u>7,309,561</u>	<u>16,350,822</u>

Depreciation expense for the year ended June 30, 2018 was charged to the following functions:

Governmental activities:	
General government	\$ 446,070
Public safety	716,055
Public works	160,134
Health and welfare	<u>69,053</u>
Total governmental activities	<u>\$ 1,391,312</u>

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Other business type activity for the year ending June 30, 2018, was as follows:

Business Type Activities	Balance June 30, 2017	Additions	Re-Class/ Deletions	Restatements	Balance June 30, 2018
Capital assets not being depreciated:					
Land	\$ 15,026	-	(15,026)	-	-
Total capital assets not being depreciated	<u>15,026</u>	<u>-</u>	<u>(15,026)</u>	<u>-</u>	<u>-</u>
Capital assets being depreciated:					
Land improvements	-	-	15,026	-	15,026
Buildings and improvements	300,000	-	-	-	300,000
Equipment, vehicles and machinery	272,276	-	-	22,958	295,234
Total capital assets being depreciated	<u>572,276</u>	<u>-</u>	<u>15,026</u>	<u>22,958</u>	<u>610,260</u>
Less accumulated depreciation for:					
Buildings and improvements	(300,000)	(5,000)	-	207,917	(97,083)
Equipment, vehicles and machinery	(178,819)	(38,936)	-	19,347	(198,408)
Land improvements	-	-	-	(15,026)	(15,026)
Total accumulated depreciation	<u>(478,819)</u>	<u>(43,936)</u>	<u>-</u>	<u>212,238</u>	<u>(310,517)</u>
Total capital assets being depreciated	<u>93,457</u>	<u>(43,936)</u>	<u>15,026</u>	<u>235,196</u>	<u>299,743</u>
Total capital assets, net of depreciation	<u>\$ 108,483</u>	<u>(43,936)</u>	<u>-</u>	<u>235,196</u>	<u>299,743</u>

Depreciation expense charged to business-type activities for the year ended June 30, 2018 was \$43,936.

NOTE 6—LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2018, was as follows:

	Balance June 30, 2017	Increases	Decreases	Restatement	Balance June 30, 2018	Amount due within one year
Governmental funds debt						
Notes payable	\$ 8,710,716	3,680,424	(4,161,884)	-	8,229,256	571,463
Compensated absences	106,431	266,321	(244,988)	-	127,764	127,764
RCHA buy-in payable	-	-	(44,397)	939,677	895,280	47,843
Capital lease payable	-	-	(16,033)	79,629	63,596	16,753
Net OPEB liability	-	-	(23,615)	137,813	114,198	-
Net pension liability	5,676,480	-	(866,317)	-	4,810,163	-
Total	<u>\$ 14,493,627</u>	<u>3,946,745</u>	<u>(5,357,234)</u>	<u>1,157,119</u>	<u>14,240,257</u>	<u>763,823</u>

Long-Term Notes—NMRCHA Buy-In Payable

On May 17, 2017 the Sierra County Commissioners passed Ordinance No. 17-011 approving participation in the Retiree Health Care Plan. According to Section 2.81.10.8 of the Retiree Health Care Act the County must pay the applicable surplus-amount contribution for each NMRHCA fiscal year beginning with FY19 through the fiscal year in which the employer is accepted in NMRHCA program. The County chose to pay the surplus amount contribution over an extended period of time. According with 2 NMAC 81.10, the employers that elect to pay the surplus -amount contribution over time, shall have no more than 13 years to complete such payments. Interest in the amount of seven and one -half percent (7.5%) pers annum shall accrue and be charged on all surplus – amount contribution amounts not paid within 30 days of the employer’s acceptance into the program. The NMRHCA provided the county with a payment schedule of monthly principal/interest payments.

Beginning in July 1, 2017 the County (employer) and the employees began contributing to the RHCA plan at the required percentages of 2% and 1% respectively.

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The County has the following Buy in loan with NMRHCA:

<u>Description</u>	<u>Issue Date</u>	<u>Maturity Due</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Rates</u>
NMRHCA Buy in Loan	7/1/2017	6/1/2030	\$ 939,677	895,280	7.50%

Future payment requirements on NMRCHA Buy in program are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 47,843	65,524	113,367
2020	51,557	61,810	113,367
2021	55,560	57,807	113,367
2022	59,873	53,494	113,367
2023	64,521	48,846	113,367
2024-2030	615,926	177,641	793,567
Total	\$ 895,280	465,122	1,360,402

The buy in amount paid for July 1, 2017 through June 30, 2018 was \$44,397 for principal payments and \$68,970 for interest.

Long-Term Notes - NMMFA

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

<u>#</u>	<u>Description</u>	<u>Issue Date</u>	<u>Maturity Due</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Interest Rates</u>
1	Detention Center Renovation	11/1/2003	5/1/2021	108,000	18,350	0.00%
2	Winston-Chloride Fire Dept.	1/2/2004	5/1/2024	321,572	108,045	3.76%
3	Arrey/Derry VFD	8/1/2004	5/1/2024	244,591	89,822	3.76%
4	PPRF Disadvantaged Program	9/29/2007	5/1/2032	\$ 5,075,223	-	3.85%
5	Poverty Creek VFD	10/20/2008	5/1/2031	399,379	279,187	3.68%
6	Monticello FD	3/18/2009	5/1/2029	438,147	276,550	3.01%
7	Fire station	12/30/2010	5/1/2020	124,338	28,569	0.86%
8	Hillsboro FD	Nov. 2012	5/1/2021	177,625	57,819	2.92%
9	Sierra County Hospital	11/30/2012	5/1/2032	4,985,000	3,640,000	2.79%
10	Arrey Derry - Fire truck Loan	1/1/2013	5/1/2028	161,210	146,337	1.08%
11	Hillsboro FD	6/9/2017	5/1/2022	50,378	41,153	0.10%
12	Detention Refinance #13	7/21/2017	5/1/2032	3,680,424	3,543,424	0.81%
				\$ 15,765,887	8,229,256	

The County's long-term notes consist of the following:

1. NMFA #3 - During the year ended June 30, 2004, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$108,000, 0.000% interest, for renovation and equipping of the County Detention Center. Revenues from the distribution of the first one-eighth of one percent increment if County Gross Receipts Tax will be pledged in repayment of this loan and are by the Finance Authority. The balance matures on May 1, 2021.
2. NMFA #6 - During the year ended June 30, 2004, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$321,572, 3.66 % interest, for Winston-Chloride Fire Dept.. The loan matures on May 1, 2024.
3. NMFA #7 - During the year ended June 30, 2004, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$244,591, 1.54% interim interest, for the construction of a fire

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station expansion for the Arrey/Derry Volunteer Fire Department. Revenues from the Fire Protection Fund Distribution made to the County by the State Treasurer will be pledged in repayment of this loan. The loan matures on May 1, 2024.

4. NMFA #13 - During the year ended June 30, 2008, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$5,075,223, 4.01% interest including administrative fee, for the cost of purchasing, designing and building a communications tower dispatch center. Pledged Revenues of the County's Equalization Distribution will be provided to the New Mexico Finance Authority. The loan was refinanced during FY2018.
5. NMFA #15 - During the year ended June 30, 2009, the County received approval for a loan from the New Mexico Finance Authority in the amount of \$399,379, 4.109% blended interest rate, to plan, design, equip, furnish and construct a new main station for the Poverty Creek Volunteer Fire Department. Pledged Revenues of the County's Fire Protection Funds are intercepted by the New Mexico Finance Authority in fiscal year 2014. The loan matures on May 1, 2031.
6. NMFA #16 - During the year ended June 30, 2009, the County received approval for a loan from NMFA in the amount of \$438,147, 3.713% blended interest rate, to plan, design, equip, furnish and construct a new fire station to be used by the Monticello Fire Department. Pledged revenues of the County's Fire Protection Funds are used for this loan. The loan matures on May 1, 2029.
7. NMFA #17 - During the year ended June 30, 2010, the County received approval for a loan from NMFA in the amount of \$124,338, 0.762% blended interest rate, to purchase a fire pumper for use by the Las Palomas Volunteer Fire Department. Pledged revenues of the County's Fire Protection Funds are used for this loan. The loan matures on May 1, 2020.
8. NMFA #18 - During the year ended June 30, 2013, the County received approval for a loan from NMFA in the amount of \$177,625, 2.602% blended interest rate, to purchase a fire engine for use by Hillsboro Volunteer Fire Department. Pledged revenues of the County's Fire Protection Funds are used for this loan. The loan matures on May 1, 2021.
9. NMFA #20 - During the year ended June 30, 2013, the County received approval for a loan from NMFA in the amount of \$4,985,000, 2.79% interest rate, for construction of a new emergency room and general renovations to Sierra Vista Hospital, and the payment of cost of issuance. Pledged revenues of the County's Hospital Emergency Gross Receipts Tax are used for this loan. The loan matures on May 1, 2032.
10. NMFA #21 - During the year ended June 30, 2013, the County received approval for a loan from NMFA in the amount of \$161,210, 2.8567% blended interest rate, for purchasing a Class A fire pumper for use by the Arrey/Derry Volunteer Fire Department. Pledged revenues of the County's State Fire Protection are used for this loan. The loan matures on May 1, 2028.
11. NMFA #22 - During the year ended June 30, 2017, the County received approval for a loan from NMFA in the amount of \$50,378, 0.10% blended interest rate, for purchasing a new ambulance for the Hillsboro Fire District. Pledged revenues of the County's State Fire Protection are used for this loan. The loan matures on May 1, 2028.
12. NMFA #23 - During the year ended June 30, 2018, the County received approval for a loan from NMFA in the amount of \$3,680,424, 2.3117% blended interest rate, to refund loan #13 dated August 31, 2007 with outstanding principal of \$3,686,204. Pledged revenues of the County's Equalization Distribution are used for this loan. The loan matures on May 1, 2032.

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Debt service requirements for all notes are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 571,463	204,377	775,840
2020	582,315	191,012	773,327
2021	577,805	186,613	764,418
2022	561,886	176,125	738,011
2023	562,221	165,145	727,366
2024-2028	2,935,527	625,011	3,560,538
Thereafter	2,438,039	193,934	2,631,973
Total	<u>\$ 8,229,256</u>	<u>1,742,217</u>	<u>9,971,473</u>

Accrued Compensated Absences

Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During the fiscal year ended June 30, 2018, compensated absences increased to \$ 127,764 from the prior year accrual.

Capital Lease

The County has the following capital lease payable to service in governmental activities:

<u>Description</u>	<u>Issue Date</u>	<u>Maturity Due</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Rates</u>
KS State Bank Equipment Lease/Purchase	2/27/2017	1/1/2022	\$ <u>86,105</u>	<u>63,696</u>	4.40%

The County entered in a 60 months finance contract with KS State Bank to finance the purchase of a loader/backhoe. Principal and interest payments are made monthly with the last payment due January 1, 2012.

Future payment requirements on the governmental activities capital lease are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 16,753	2,463	19,216
2020	20,498	1,951	22,449
2021	15,398	715	16,113
2022	11,047	163	11,210
	<u>63,696</u>	<u>5,292</u>	<u>68,988</u>

The total expense for this lease in 2018 was \$19,216.

NOTE 7—TRANSFERS

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds		
General Fund	\$ 129,435	(1,455,915)
Road fund	460,903	-
Correction fund	583,585	(12,000)
Flood Commission fund	-	(30,000)
Nonmajor governmental funds	<u>711,364</u>	<u>(387,372)</u>
	<u>\$ 1,885,287</u>	<u>(1,885,287)</u>

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NOTE 8—PERA PENSION PLAN

Plan Description – Substantially all of the County’s full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA’s website at <http://www.pera.state.nm.us>.

Funding Policy – Plan members are required to contribute the following percentages of their gross salary: 10.65% for general members, and 18.90% for non-union law enforcement of their gross salary. The County is required contribute the following percentages of their gross salary: 9.55% for general members, and 13.85% for Union and Non-union law of their gross salary. The contribution requirements of plan members and the County are established in State statute under Chapter 10, Article 11, NMSA 1978.

NOTE 9—PENSION PLAN AND POST EMPLOYMENT BENEFITS

Summary of Significant Accounting Policies

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’s. 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.

General Information about the Pension Plan

Plan description – *Public Employees Retirement 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 Officers, 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 Public Employees Retirement 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), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded.

Benefits provided – Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member’s final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors’ annuities are also available.

TIER II – The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member’s age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible

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to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

Contributions – See PERA’s publicly available financial report and comprehensive annual financial report obtained at <http://saonm.org/> using the Audit Report Search function for agency 366, for the employer and employee contribution rates in effect for fiscal year 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: Municipal General Division, at June 30, 2018, the County reported a liability of \$3,339,025 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2017. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the County’s proportion was 0.2090%, which was a decrease of 0.0211% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized PERA Fund Division; Municipal General Division pension expense of \$216,053. At June 30, 2018, the County reported PERA Fund Division; Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<u>Municipal General Division</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 131,201	171,015
Changes of assumptions	153,979	34,504
Net difference between projected and actual earnings on pension plan investments	273,947	-
Change in proportion and differences between the County contributions and proportionate share of contributions	109,638	157,450
The County contributions subsequent to the measurement date	<u>216,053</u>	<u>-</u>
Total	<u>\$ 884,818</u>	<u>362,969</u>

\$216,053 reported as deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		Amount
June 30:		
2019	\$	44,369
2020		268,471
2021		73,015
2022		(80,059)
2023		-
Thereafter		-
	\$	<u>305,796</u>

Municipal Police Division, at June 30, 2018, the County reported a liability of \$1,471,138 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2017. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2017. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the County's proportion was 0.2648%, which was a decrease of 0.0063% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized PERA Fund Division; Municipal Police Division pension expense of \$100,590.

At June 30, 2018, the County reported PERA Fund Division; Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<u>Municipal Police Division</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 89,349	274,867
Changes of assumptions	87,528	34,209
Net difference between projected and actual earnings on pension plan investments	118,480	-
Change in proportion and differences between the County contributions and proportionate share of contributions	143,638	28,959
The County contributions subsequent to the measurement date	<u>100,590</u>	<u>-</u>
Total	<u>\$ 539,585</u>	<u>338,035</u>

\$100,590 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Amount
June 30:	Amount
2019	\$ 51,054
2020	129,773
2021	(45,226)
2022	(34,641)
2023	-
Thereafter	-
	<u>\$ 100,960</u>

Actuarial assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year smoothed Market Value
Actuarial assumptions	
Investment rate of return	7.51% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	2.75% for first 9 years, then 3.25% annual rate
Projected salary increases	2.75% to 14.00% annual rate
Includes inflation at	Includes inflation at 2.25% for the first 9 years and 2.75% thereafter
Mortality assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA.
Experience study dates	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 30, 2016 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method 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 allocation and 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
Global Equity	43.5%	7.39%
Risk Reduction & Mitigation	21.5%	1.79%
Credit Oriented Fixed Income	15.0%	5.77%
Real Assets to include Real Estate Equity	20.0%	7.35%
Total	100.0%	

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Discount rate – A single discount rate of 7.51% was used to measure the total pension liability as of June 30, 2017. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.51%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate – The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.51 percent, as well as what the employer name’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.51 percent) or 1-percentage-point higher (8.51 percent) than the current rate:

<u>PERA Fund Division -</u>	<u>1% Decrease (6.51%)</u>	<u>Current Discount Rate (7.51%)</u>	<u>1% Increase (8.51%)</u>
Municipal General Division	\$ 5,233,356	3,339,025	1,763,626
Municipal Police Division	\$ 2,346,057	1,471,138	753,138

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERA financial reports, available at <http://www.nmpera.org/>.

NOTE 10—POST EMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN

Plan Description. The County contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving 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 the event the time period required for employee and employer contributions shall become the period of time between the employer’s effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

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

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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, 2018, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary.

For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2018, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The County's contributions to the RHCA for the years ended June 30, 2018, 2017, and 2016, were \$54,870, \$0 and \$0, respectively, which equal the required contributions for each year. Note, the County joined RHCA in 2018.

NOTE 11. OPEB

General Information about the Pension Plan

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

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA's financial information is included with the financial presentation of the State of New Mexico. Benefits provided. The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

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SIERRA COUNTY
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FOR THE YEAR ENDED JUNE 30, 2018**

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

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

Contributions – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the County were \$54,870 for the year ended June 30, 2018.

On May 17, 2017 the Sierra County Commissioners passed Ordinance No. 17-011 approving participation in the Retiree Health Care Plan. According to Section 2.81.10.8 of the Retiree Health Care Act the County must pay the applicable surplus-amount contribution for each NMRHCA fiscal year beginning with FY19 through the fiscal year in which the employer is accepted in NMRHCA program.

See Note 6 for more information on NMRHCA Buy in plan.

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

At June 30, 2018, the County reported a liability of \$114,198 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the County’s proportion was 0.00252 percent.

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$4,540. At June 30, 2018 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	4,382
Changes of assumptions	-	19,966
Net difference between actual and projected earnings on OPEB plan investments	-	1,643
Contributions subsequent to the measurement date	54,870	-
Total	\$ 54,870	25,991

Deferred outflows of resources totaling \$54,870 represent County contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended	Amount
June 30:	
2019	\$ (5,526)
2020	(5,526)
2021	(5,526)
2022	(5,526)
2023	(3,887)
Total	(25,991)

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

Valuation date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions	
Inflation	2.50% for ERB members, 2.25% for PERA members
Projected salary increases	3.50%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected

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

inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions. The best estimates for the long-term expected rate of return is summarized as follows:

<u>Asset Class</u>	<u>Long-Term Rate of Return</u>
U.S. core fixed income	4.10%
U.S. equity - large cap	9.10%
Non U.S. Emerging markets	12.20%
Non U.S. - developed equities	9.80%
Private Equity	13.80%
Credit and Structured finance	7.30%
Real Estate	6.90%
Absolute Return	6.10%
U.S. equity - small/mid cap	9.10%

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

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

<u>1% Decrease (2.81%)</u>	<u>Current Discount (3.81%)</u>	<u>1% Increase (4.81%)</u>
\$ 128,521	\$ 114,198	\$ 95,115

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

<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
\$ 97,133	\$ 114,198	\$ 127,504

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

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

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

NOTE 12—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 to employees; and natural disasters. The County has joined together with other agencies in the state and obtained insurance through the New Mexico Self Insurers Fund, a public risk pool currently operating as a common risk management and insurance program for local governments. The County pays an annual premium to New Mexico Self Insurers Fund for its general insurance coverage. No losses in excess of insurance coverage have been experienced.

NOTE 13—COMMITMENTS, CONTINGENT LIABILITIES AND LITIGATION

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.

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

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County’s legal counsel the resolution of these matters will not have a material adverse effect on the financial statements of the County.

The County has contracts and grant awards for construction projects in various stages of completion. Such contracts, funded principally by federal and state agencies, constitute future commitments.

The County depends on financial resources flowing from, or associated with, both the federal government and the State of New Mexico. Because of this dependency, the County is subject to changes in the specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations.

NOTE 14—OPERATING LEASES

The County leases equipment under cancelable operating leases. The total costs for such leases were approximately \$155,688 for the year ended June 30, 2018. The future minimum lease payments for these leases are as follows:

Fiscal Year		
Ending June 30,	Amount	
2019	\$	87,806
2020		33,378
2021		14,664
2022		-
2023		-
Total	\$	<u>135,848</u>

NOTE 15 –LANDFILL CLOSURE AND POST-CLOSURE CARE

The County stopped accepting solid waste at its landfill in 2010. State law, federal law and various regulations require that the County perform certain maintenance and monitoring functions at the landfill for 30 years after closure. The estimated liability for the County’s landfill post-closure care was \$61,200 as of June 30, 2018. These estimates may change in the future due to inflation or deflation, changes in technology, and applicable laws or regulations governing landfill post-closure care.

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

NOTE 16 – DEFICIT FUND BALANCE

The following funds incurred a deficit fund balance at June 30, 2018:

<u>Fund</u>	<u>Number</u>	<u>Fund Type</u>	<u>Amount</u>
Community Projects	419	Special Revenue	\$ (6,120)
Correction Fund	605	Special Revenue	(67,600)
			<u>\$ (73,720)</u>

The County intends to receive grant money or transfer sufficient funds from the General Fund to cover any deficits.

NOTE 17—DEFERRED INFLOWS AND OUTFLOWS

In addition to assets, the statement of net position and/or the balance sheet for governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an expense or expenditure until then.

The County has the following deferred outflows of resources during fiscal year 2018 on the fund financials:

<u>Deferred Outflows of Resources - Fund Financials</u>	
Non-exchange transactions	\$ -
Pension deferrals	-
Total deferred inflows of resources	<u>\$ -</u>

The County has the following deferred outflows of resources during fiscal year 2018 on the government wide financials:

<u>Deferred Outflows of Resources - GW</u>	
Pension deferrals	\$ 1,424,403
OPEB deferrals	54,870
Total deferred outflows of resources	<u>\$ 1,479,273</u>

In addition to liabilities, the statement of net position and/or the balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position/fund balance that applied to a future period and so will not be recognized until then.

The County has the following deferred inflows of resources during fiscal year 2018 on the fund financials:

<u>Deferred Inflows of Resources - Fund Financials</u>	
Property tax revenue	\$ 389,407
GRT equalization	282,725
Total deferred inflows of resources	<u>\$ 672,132</u>

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

The County has the following deferred inflows of resources during fiscal year 2018 on the government wide financials:

<u>Deferred Inflows of Resources - GW</u>		
Pension deferrals	\$	701,004
OPEB deferrals		<u>25,991</u>
Total deferred inflows of resources	\$	<u><u>726,995</u></u>

NOTE 18—RESTATEMENT

The following summarizes the restatements:

<u>Fund Description</u>	<u>Fund</u>	<u>Purpose/Reason</u>	<u>Amount</u>
<u>Government Fund</u>			
<u>Financials Only</u>			
EMS Homeland Security	629	Recognize prior year revenue	\$ 9,000
Flood Commission FEMA	640	Recognize prior year revenue	<u>516,681</u>
			<u>525,681</u>
<u>Business Type Fund</u>			
Landfill Fund	405	Capital Assets	<u>235,196</u>
			<u>760,877</u>
<u>Government-Wide and</u>			
<u>Fund Financial Statements</u>			
<u>General Fund</u>			
			-
			-
		Total fund financial restatements	<u>\$ 760,877</u>
<u>Government-Wide Only</u>			
	n/a	RHCA loan	\$ (939,677)
	n/a	To record OPEB liability related to	
	n/a	GASB 75 implementation	(137,813)
	n/a	To record capital lease	(79,629)
	n/a	To adjust capital assets and	
	n/a	accumulated depreciation	7,309,561
	n/a	Prior period adjustment to record GRT	
	n/a	Equalization in proper fiscal year	<u>167,925</u>
		Total additional GW restatements	<u>6,320,367</u>
		Total government-wide restatements	<u>\$ 7,081,244</u>

REQUIRED SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY OF PERA FUND DIVISION;
MUNICIPAL GENERAL DIVISION
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
	Measurement Date as of			
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
The County's proportion of the net pension liability (asset) (%)	0.2090%	0.2301%	0.2520%	0.2648%
The County's proportionate share of the net pension liability (asset) (\$)	\$ 3,339,025	3,676,000	2,569,000	2,066,000
The County's covered-employee payroll	\$ 2,376,963	1,811,518	1,874,346	1,874,346
The County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	184.32%	202.92%	137.06%	110.23%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	69.18%	76.99%	81.29%

*Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the County is not available prior to fiscal year 2015, the year the statement's requirements became effective.

Notes to Required Supplementary Information:

Changes of Benefit Terms: The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CFAR. <https://www.saonm.org>

Changes of Assumptions: The Public Employ Retirement Association of New Mexico Annual Actuarial Valuations as of June 2017 report is available at <http://www.nmpera.org/>

See independent auditor's report.

**STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY OF PERA FUND DIVISION;
MUNICIPAL POLICE DIVISION
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
	Measurement Date as of			
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
The County's proportion of the net pension liability (asset) (%)	0.2648%	0.2711%	0.2111%	0.2141%
The County's proportionate share of the net pension liability (asset) (\$)	\$ 1,471,138	2,000,256	1,015,000	698,000
The County's covered-employee payroll	\$ 532,225	544,974	497,354	417,989
The County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	276%	367%	204%	167%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	69.18%	76.99%	81.29%

*Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the County is not available prior to fiscal year 2015, the year the statement's requirements became effective.

Notes to Required Supplementary Information:

Changes of Benefit Terms: The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CFAR. <https://www.saonm.org>

Changes of Assumptions: The Public Employ Retirement Association of New Mexico Annual Actuarial Valuations as of June 2017 report is available at <http://www.nmpera.org/>

See independent auditor's report.

**STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
PERA FUND DIVISION; MUNICIPAL GENERAL DIVISION
LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contribution	\$ 216,053	227,000	173,000	179,000
Contributions in relation to the statutorily required contribution	<u>216,053</u>	<u>227,000</u>	<u>173,000</u>	<u>179,000</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
The County's covered-employee payroll	\$ 2,262,335	2,376,963	1,811,518	1,874,346
Contributions as a percentage of covered-employee payroll	9.55%	9.55%	9.55%	9.55%

*Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the County is not available prior to fiscal year 2015, the year the statement's requirements became effective.

Notes to Required Supplementary Information:

Changes of Benefit Terms: The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CFAR. <https://www.saonm.org>

Changes of Assumptions: The Public Employ Retirement Association of New Mexico Annual Actuarial Valuations as of June 2017 report is available at <http://www.nmpera.org/>

**STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
PERA FUND DIVISION; MUNICIPAL POLICE DIVISION
LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contribution	\$ 100,590	103,000	94,000	79,000
Contributions in relation to the statutorily required contribution	<u>100,590</u>	<u>103,000</u>	<u>94,000</u>	<u>79,000</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
The County's covered-employee payroll	\$ 532,225	544,974	497,354	417,989
Contributions as a percentage of covered-employee payroll	18.90%	18.90%	18.90%	18.90%

*Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the County is not available prior to fiscal year 2015, the year the statement's requirements became effective.

Notes to Required Supplementary Information:

Changes of Benefit Terms: The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CFAR. <https://www.saonm.org>

Changes of Assumptions: The Public Employ Retirement Association of New Mexico Annual Actuarial Valuations as of June 2017 report is available at <http://www.nmpera.org/>

**STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS***

		2018
		<u>Measurement Date as of</u>
		<u>June 30, 2017</u>
The County's proportion of the net OPEB liability (asset) (%)		0.00252%
The County's proportionate share of the net OPEB liability (asset) (\$)	\$	114,198
The County's covered-employee payroll	\$	104,974
The County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll		108.79%
Plan fiduciary net position as a percentage of the total OPEB liability		11.34%

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2018**

Changes in benefit provisions. There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

Changes in assumptions and methods. There were no modifications to the assumptions and methods as this is the first year of adoption of the OPEB accounting standard.

**STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS OPEB PLAN
LAST 10 FISCAL YEARS***

		2018
Contractually required contribution	\$	8,002
Contributions in relation to the statutorily required contribution		4,016
Contribution deficiency (excess)	\$	3,986
County's covered-employee payroll	\$	104,974
Contributions as a percentage of covered-employee payroll		3.83%

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2018**

Changes in benefit provisions. There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

Changes in assumptions and methods. There were no modifications to the assumptions and methods as this is the first year of adoption of the OPEB accounting standard.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
SIERRA COUNTY
NON-MAJOR SPECIAL REVENUES FUNDS DESCRIPTION
FOR THE YEAR ENDED JUNE 30, 2018**

NON-MAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Non-major special revenue funds consist of the following:

Mednet Emergency Medical Services 206—To account for revenues, grants received, and expenditures incurred in providing emergency medical services to County residents. Sources of funds are the State of New Mexico Health and Environment Department, Emergency Medical Services Bureau. Authority is NMSA 24-10A-1 to 24-10A-10.

Fire Protection 209—To account for grants received and expenditures incurred in providing fire protection to residents. Financing is provided from the County's share of fire allotment issued by the State Fire Marshall under NMSA 59-53-1. Such revenue provides for payment of all current operating costs and may be used only for that purpose. Expenditures related to emergency medical services, funded in part by state grants under the Authority of NMSA 24-10A-1 to 24-10A-10 are accounted for in the individual fire funds.

Hospital GRT 221—To account for funds provided by New Mexico Emergency County Hospital gross receipts tax. The Authority is a local ordinance to assess the gross receipts tax.

DWI Fund 223—To account for the activities associated with the DWI prevention program.

Farm and Range Fund 403—To account for the operations of farm and range activities, including soil and water conservation, rodent and predatory animal control, poisonous and noxious weed control, and livestock parasite control. Financing is primarily from state-shared revenues through the Taylor Grazing Act. Authority is NMSA 6-11-6.

Recreation Fund 404—To account for the operations and maintenance of County-owned recreation facilities. Financing is provided by the County's share of cigarette tax. State law requires the use of these cigarette taxes to be used for recreation purposes. The authority to create this fund was given by New Mexico Statute 7-12-15.

County Indigent Fund 406—To account for expenditures incurred in providing services for the care of indigent. Financing is provided by the County's share of gross receipts tax and may be used for that purpose. Authority NMSA 24-10A-1.

Road Grant Fund 416—to account for activities in maintaining the County roads.

State Capital Projects Fund 417—To account for monies from the State of New Mexico for specific projects designated by the state.

Community Projects Fund 419—Sierra County has a contract with the City of T or C for the Animal Shelter and has a contract with City of T or C for animal control calls as the County does not have an animal control officer.

County Reappraisal Fund 422—To account for the operations of a fund to help with reappraisal of County property to ensure valuation reflects current fair market value. Financing is provided by retainage of 1% of tax collections. Authority NMSA 7-38-38-1.

Lodgers' Tax Fund 477—To account for collections of a lodgers' tax, the proceeds of which are used for advertisement of local attractions. Authority NMSA 3-38-13 to 3-38-24.

Sierra Valley Hospital Fund 501—To support functions of the Sierra Valley Hospital's projects and operations.
Legislative Appropriations Fund 502—The County receives funding from the State of New Mexico.

Internal Capital Improvements 506—To account for capital projects established by the County Commissioners.

**STATE OF NEW MEXICO
SIERRA COUNTY
NON-MAJOR SPECIAL REVENUES FUNDS DESCRIPTION
FOR THE YEAR ENDED JUNE 30, 2018**

Mandatory UA's Fund 507—Funding is received from the clients on probation.

Mental Health Fund 548—To account for resources to be utilized in the assistance and goals of promoting mental health and assisting those in need of said services.

Juvenile Detention Fund 549—To account for the resources to be utilized to enhance juvenile probation. Authority is the County Commission.

Law Enforcement Protection 604—To account for the operations of a grant from the State of New Mexico through Law Enforcement Protection Fund Act for the purpose of maintenance and improvement of law enforcement equipment, and may be used only for that purpose. Authority is NMSA 23-13-1.

Emergency Communications Gross Receipt Tax Fund 606—To account fiscal activities related to emergency communication and other activities associated.

EMS COMM GRT 609—To account for funds provided for Emergency Medical Service Communication gross receipts tax. The Authority is a local ordinance to assess the gross receipts tax.

Clerk Equipment Fee Fund 624—to account for fees collected by the County Clerk to be used exclusively for the purchase of capital assets for the Clerk's Office, as authorized by the New Mexico State Statutes (NMSA 14-8-12.2B).

EMO Homeland Security Fund 629—to account for federal and state grants.

Emergency 911 Fund 634—To account for funds provided by the State of New Mexico under the Enhanced 911 Act (NMSA 1978 Sections 63-9D-1). To be used to improve the physical addressing and provide faster responses in case of emergency.

Treasurer Fee Fund 635—to account for fund generated from fees charged by the Road Department FEMA Fund 639 – to account for federal money in maintaining the County roads.

Flood Commission FEMA Fund 640—to account for federal money to be used for repairs and or prevention of flood related projects.

Fire Department FEMA Fund 641—Reimbursed from FEMA.

State Capital Appropriations Fund 641—to account for capital improvement projects funded through Department of the State of New Mexico.

**STATE OF NEW MEXICO
SIERRA COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
AS OF JUNE 30, 2018**

	Special Revenue Funds	Capital Projects Funds	Total Non-major Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 2,870,603	-	2,870,603
Due from other funds	337,702	115,480	453,182
Accounts receivable	-	-	-
Grant accounts receivable	-	-	-
GRT receivable	605,931	-	605,931
Property tax receivable, net	72,938	-	72,938
Prepaid expenses	-	-	-
Total assets	<u>\$ 3,887,174</u>	<u>115,480</u>	<u>4,002,654</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds- pooled cash	\$ 96,944	-	96,944
Due to other governmental units	-	-	-
Accounts payable	79,122	5,488	84,610
Accrued payroll liabilities	12,071	-	12,071
Accrued interest payable	-	-	-
Unavailable revenue	-	-	-
Total Liabilities	<u>188,137</u>	<u>5,488</u>	<u>193,625</u>
Deferred inflows of resources			
Property taxes	<u>57,712</u>	-	<u>57,712</u>
Total deferred inflows of resources	<u>57,712</u>	-	<u>57,712</u>
FUND BALANCES			
Nonspendable- prepaid expenses	-	-	-
Restricted	3,647,445	109,992	3,757,437
Committed	-	-	-
Assigned	-	-	-
Unassigned	(6,120)	-	(6,120)
Total fund balances	<u>3,641,325</u>	<u>109,992</u>	<u>3,751,317</u>
Total liabilities deferred inflows of resources, and fund balances	<u>\$ 3,887,174</u>	<u>115,480</u>	<u>4,002,654</u>

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

STATE OF NEW MEXICO
SIERRA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds	Capital Projects Funds	Total Non-major Funds
REVENUES			
Intergovernmental sources - federal	\$ 25,125	-	25,125
Intergovernmental sources - state	1,503,992	92,482	1,596,474
Local and state shared taxes	1,295,449	-	1,295,449
Property taxes	-	-	-
Payment in lieu of taxes	595,632	-	595,632
Licenses and services	-	-	-
Charges for services	360,452	-	360,452
Interest	-	-	-
Other revenue	159,620	-	159,620
Total revenues	<u>3,940,270</u>	<u>92,482</u>	<u>4,032,752</u>
EXPENDITURES			
Current			
General government	443,031	-	443,031
Public safety	1,722,931	-	1,722,931
Public works	335,322	87,458	422,780
Health and welfare	1,322,007	-	1,322,007
Culture and recreation	9,868	-	9,868
Debt Service			
Principal payments	332,934	-	332,934
Interest payments	135,523	-	135,523
Capital Outlay			
Capital Outlay	173,811	-	173,811
Total Expenditures	<u>4,475,427</u>	<u>87,458</u>	<u>4,562,885</u>
Excess (deficiency) of revenues over expenditures	(535,157)	5,024	(530,133)
OTHER FINANCING SOURCES (USES)			
Proceeds from loan issuance	-	-	-
Transfers in	711,364	-	711,364
Transfers out	(387,372)	-	(387,372)
Total other financing sources (uses)	<u>323,992</u>	<u>-</u>	<u>323,992</u>
Net change in fund balance	(211,165)	5,024	(206,141)
Fund balances-beginning of year	3,326,809	104,968	3,431,777
Restatements	525,681	-	525,681
Fund balances-beginning of year, as restated	<u>3,852,490</u>	<u>104,968</u>	<u>3,957,458</u>
Fund balances-end of the year	<u>\$ 3,641,325</u>	<u>109,992</u>	<u>3,751,317</u>

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

**STATE OF NEW MEXICO
SIERRA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	206	209	221	223	403
	EMS	Fire Protection	Hospital GRT	DWI	Farm and Range
ASSETS					
Cash and investments	\$ 22,059	957,199	450,018	77,223	15,502
Property tax receivable	-	-	164,992	-	-
Other taxes receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other governments	-	-	-	16,285	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 22,059</u>	<u>957,199</u>	<u>615,010</u>	<u>93,508</u>	<u>15,502</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	-	-	31,448	-
Due to other governmental units	-	-	-	-	-
Accounts payable	138	17,181	-	4,348	-
Accrued payroll liabilities	-	-	-	1,075	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>138</u>	<u>17,181</u>	<u>-</u>	<u>36,871</u>	<u>-</u>
Deferred inflows of resources-prop tax	-	-	57,712	-	-
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	21,921	940,018	557,298	56,637	15,502
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>21,921</u>	<u>940,018</u>	<u>557,298</u>	<u>56,637</u>	<u>15,502</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,059</u>	<u>957,199</u>	<u>615,010</u>	<u>93,508</u>	<u>15,502</u>

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

**STATE OF NEW MEXICO
SIERRA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	404	406	416	417	419
	Recreation	County Indigent Fund	Road Grant	State Capital Projects	Community Projects
ASSETS					
Cash and investments	\$ 237	395,262	77,979	101,468	-
Property tax receivable	-	92,681	-	-	-
Other taxes receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 237</u>	<u>487,943</u>	<u>77,979</u>	<u>101,468</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	17,806	19,765	6,120
Accrued payroll liabilities	-	466	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>466</u>	<u>17,806</u>	<u>19,765</u>	<u>6,120</u>
Deferred inflows of resources-prop tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	237	487,477	60,173	81,703	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(6,120)
Total fund balances	<u>237</u>	<u>487,477</u>	<u>60,173</u>	<u>81,703</u>	<u>(6,120)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 237</u>	<u>487,943</u>	<u>77,979</u>	<u>101,468</u>	<u>-</u>

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

STATE OF NEW MEXICO
SIERRA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018

	422 County Reappraisal Fund	477 Lodgers Tax Fund	501 Sierra Valley Hospital	502 Legislative Appropriations	506 Internal Capital Improvements
ASSETS					
Cash and investments	\$ 98,037	6,714	3,513	-	66,304
Property tax receivable	-	-	-	-	-
Other taxes receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other governments	-	-	-	36,965	-
Due from other funds	-	-	72,938	-	-
Total assets	<u>\$ 98,037</u>	<u>6,714</u>	<u>76,451</u>	<u>36,965</u>	<u>66,304</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	-	-	35,013	-
Due to other governmental units	-	-	-	-	-
Accounts payable	215	-	-	1,952	-
Accrued payroll liabilities	1,203	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>1,418</u>	<u>-</u>	<u>-</u>	<u>36,965</u>	<u>-</u>
Deferred inflows of resources-prop tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	96,619	6,714	76,451	-	66,304
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>96,619</u>	<u>6,714</u>	<u>76,451</u>	<u>-</u>	<u>66,304</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 98,037</u>	<u>6,714</u>	<u>76,451</u>	<u>36,965</u>	<u>66,304</u>

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

STATE OF NEW MEXICO
SIERRA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018

	507	548	549	604	606
	Mandatory UA's	Mental Health	Juvenile Detention	Law Enforcement Protection	Emergency Communication GRT
ASSETS					
Cash and investments	\$ 8,753	45,081	-	32,366	88,081
Property tax receivable	-	3,201	-	-	76,028
Other taxes receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 8,753</u>	<u>48,282</u>	<u>-</u>	<u>32,366</u>	<u>164,109</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	-	10,745	-
Accrued payroll liabilities	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,745</u>	<u>-</u>
Deferred inflows of resources-prop tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	8,753	48,282	-	21,621	164,109
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>8,753</u>	<u>48,282</u>	<u>-</u>	<u>21,621</u>	<u>164,109</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,753</u>	<u>48,282</u>	<u>-</u>	<u>32,366</u>	<u>164,109</u>

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

STATE OF NEW MEXICO
SIERRA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018

	609 EMS Comm GRT	624 Clerk Recording and Filing Fees	629 EMS Homeland Security	634 Emergency 911 Fund
ASSETS				
Cash and investments	\$ 11,738	72,407	38,930	276,194
Property tax receivable	800	-	-	-
Other taxes receivable	-	-	-	-
Interest receivable	-	-	-	-
Due from other governments	-	-	36,000	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 12,538</u>	<u>72,407</u>	<u>74,930</u>	<u>276,194</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$ -	-	-	-
Due to other governmental units	-	-	-	-
Accounts payable	-	476	-	376
Accrued payroll liabilities	-	-	1,047	8,280
Accrued interest payable	-	-	-	-
Unavailable revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>476</u>	<u>1,047</u>	<u>8,656</u>
Deferred inflows of resources-prop tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable- prepaid expenses	-	-	-	-
Restricted	12,538	71,931	73,883	267,538
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>12,538</u>	<u>71,931</u>	<u>73,883</u>	<u>267,538</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,538</u>	<u>72,407</u>	<u>74,930</u>	<u>276,194</u>

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

STATE OF NEW MEXICO
SIERRA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018

	635 Treasurer Fee Fund	639 Road Dept. FEMA	640 Flood Commission FEMA Fund	641 Fire Department FEMA Fund	Total Special Revenue Funds
ASSETS					
Cash and investments	\$ 25,538	-	-	-	2,870,603
Property tax receivable	-	-	-	-	337,702
Other taxes receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other governments	-	-	516,681	-	605,931
Due from other funds	-	-	-	-	72,938
Total assets	<u>\$ 25,538</u>	<u>-</u>	<u>516,681</u>	<u>-</u>	<u>3,887,174</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	-	30,483	-	96,944
Due to other governmental units	-	-	-	-	-
Accounts payable	-	-	-	-	79,122
Accrued payroll liabilities	-	-	-	-	12,071
Accrued interest payable	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>30,483</u>	<u>-</u>	<u>188,137</u>
Deferred inflows of resources-prop tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,712</u>
FUND BALANCES					
Nonspendable- prepaid expenses	-	-	-	-	-
Restricted	25,538	-	486,198	-	3,647,445
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(6,120)
Total fund balances	<u>25,538</u>	<u>-</u>	<u>486,198</u>	<u>-</u>	<u>3,641,325</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,538</u>	<u>-</u>	<u>516,681</u>	<u>-</u>	<u>3,887,174</u>

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

**STATE OF NEW MEXICO
SIERRA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	206	209	221	223	403
	EMS	Fire Protection	Hospital GRT	DWI	Farm and Range
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	22,720
Intergovernmental sources - state	33,916	728,251	-	46,740	-
Local and state shared taxes	-	-	446,577	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	595,632	-	-
Charges for services	-	-	-	83,278	-
Other revenue	492	14,894	6,484	48,344	-
Total revenues	<u>34,408</u>	<u>743,145</u>	<u>1,048,693</u>	<u>178,362</u>	<u>22,720</u>
EXPENDITURES					
Current					
General government	-	474	-	16,584	-
Public safety	50,486	492,613	3,860	129,916	-
Highways and streets	-	-	-	-	-
Health and welfare	-	200	739,825	-	36,499
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	112,934	220,000	-	-
Interest payments	-	35,718	99,805	-	-
Capital Outlay					
Capital outlay	1,020	86,430	-	-	-
Total expenditures	<u>51,506</u>	<u>728,369</u>	<u>1,063,490</u>	<u>146,500</u>	<u>36,499</u>
Excess (deficiency) of revenues over expenditures	(17,098)	14,776	(14,797)	31,862	(13,779)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	15,898	2,505	-	-	29,281
Transfers out	(15,898)	-	-	(2,000)	-
Total other financing sources (uses)	<u>-</u>	<u>2,505</u>	<u>-</u>	<u>(2,000)</u>	<u>29,281</u>
Net change in fund balance	(17,098)	17,281	(14,797)	29,862	15,502
Fund balances-beginning of year	39,019	922,737	572,095	26,775	-
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>39,019</u>	<u>922,737</u>	<u>572,095</u>	<u>26,775</u>	<u>-</u>
Fund balances-end of the year	<u>\$ 21,921</u>	<u>940,018</u>	<u>557,298</u>	<u>56,637</u>	<u>15,502</u>

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

**STATE OF NEW MEXICO
SIERRA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	404	406	416	417	419
	Recreation	County Indigent Fund	Road Grant	State Capital Projects	Community Projects
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	-	-	95,772	104,503	1,000
Local and state shared taxes	-	446,582	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
Other revenue	2,192	1,801	-	-	-
Total revenues	<u>2,192</u>	<u>448,383</u>	<u>95,772</u>	<u>104,503</u>	<u>1,000</u>
EXPENDITURES					
Current					
General government	-	47,112	-	-	164,786
Public safety	-	-	-	-	-
Highways and streets	-	-	173,231	162,091	-
Health and welfare	-	544,933	-	-	-
Culture and recreation	1,067	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,067</u>	<u>592,045</u>	<u>173,231</u>	<u>162,091</u>	<u>164,786</u>
Excess (deficiency) of revenues over expenditures	1,125	(143,662)	(77,459)	(57,588)	(163,786)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	-	-	-	-	160,295
Transfers out	(1,294)	-	-	-	-
Total other financing sources (uses)	<u>(1,294)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,295</u>
Net change in fund balance	(169)	(143,662)	(77,459)	(57,588)	(3,491)
Fund balances-beginning of year	406	631,139	137,632	139,291	(2,629)
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>406</u>	<u>631,139</u>	<u>137,632</u>	<u>139,291</u>	<u>(2,629)</u>
Fund balances-end of the year	<u>\$ 237</u>	<u>487,477</u>	<u>60,173</u>	<u>81,703</u>	<u>(6,120)</u>

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

**STATE OF NEW MEXICO
SIERRA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	422 County Reappraisal Fund	477 Lodgers Tax Fund	501 Sierra Valley Hospital	502 Legislative Appropriations	506 Internal Capital Improvements
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	-	-	-	250,438	-
Local and state shared taxes	-	7,922	-	-	-
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
Other revenue	85,394	-	-	-	-
Total revenues	<u>85,394</u>	<u>7,922</u>	<u>-</u>	<u>250,438</u>	<u>-</u>
EXPENDITURES					
Current					
General government	68,549	-	-	3,053	-
Public safety	495	-	-	193,385	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	8,801	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	54,000	-
Total expenditures	<u>69,044</u>	<u>8,801</u>	<u>-</u>	<u>250,438</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	16,350	(879)	-	-	-
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	16,350	(879)	-	-	-
Fund balances-beginning of year	80,269	7,593	76,451	-	66,304
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>80,269</u>	<u>7,593</u>	<u>76,451</u>	<u>-</u>	<u>66,304</u>
Fund balances-end of the year	<u>\$ 96,619</u>	<u>6,714</u>	<u>76,451</u>	<u>-</u>	<u>66,304</u>

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

**STATE OF NEW MEXICO
SIERRA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	507	548	549	604	606
	Mandatory UA's	Mental Health	Juvenile Detention	Law Enforcement Protection	Emergency Communication GRT
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	-	-
Intergovernmental sources - state	-	-	-	27,200	-
Local and state shared taxes	-	15,774	-	-	374,650
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	14,785	-	-	30,000	-
Other revenue	-	-	-	-	-
Total revenues	<u>14,785</u>	<u>15,774</u>	<u>-</u>	<u>57,200</u>	<u>374,650</u>
EXPENDITURES					
Current					
General government	5,522	3,991	-	-	45,611
Public safety	16,945	-	17,511	27,291	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Capital Outlay					
Capital outlay	-	-	-	-	-
Total expenditures	<u>22,467</u>	<u>3,991</u>	<u>17,511</u>	<u>27,291</u>	<u>45,611</u>
Excess (deficiency) of revenues over expenditures	(7,682)	11,783	(17,511)	29,909	329,039
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	12,000	-	22,461	-	-
Transfers out	-	-	-	(30,000)	(335,675)
Total other financing sources (uses)	<u>12,000</u>	<u>-</u>	<u>22,461</u>	<u>(30,000)</u>	<u>(335,675)</u>
Net change in fund balance	4,318	11,783	4,950	(91)	(6,636)
Fund balances-beginning of year	4,435	36,499	(4,950)	21,712	170,745
Restatements	-	-	-	-	-
Fund balances-beginning of year, as restated	<u>4,435</u>	<u>36,499</u>	<u>(4,950)</u>	<u>21,712</u>	<u>170,745</u>
Fund balances-end of the year	<u>\$ 8,753</u>	<u>48,282</u>	<u>-</u>	<u>21,621</u>	<u>164,109</u>

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

STATE OF NEW MEXICO
SIERRA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	609 EMS Comm GRT	624 Clerk Recording and Filing Fees	629 EMS Homeland Security	634 Emergency 911 Fund
REVENUES				
Intergovernmental sources - federal	\$ -	-	-	-
Intergovernmental sources - state	-	-	107,247	108,925
Local and state shared taxes	3,944	-	-	-
Property taxes	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	29,403	-	196,083
Other revenue	-	-	-	19
Total revenues	<u>3,944</u>	<u>29,403</u>	<u>107,247</u>	<u>305,027</u>
EXPENDITURES				
Current				
General government	531	27,777	-	58,597
Public safety	-	333	170,110	609,980
Highways and streets	-	-	-	-
Health and welfare	-	550	-	-
Culture and recreation	-	-	-	-
Debt Service				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Capital Outlay				
Capital outlay	-	32,361	-	-
Total expenditures	<u>531</u>	<u>61,021</u>	<u>170,110</u>	<u>668,577</u>
Excess (deficiency) of revenues over expenditures	3,413	(31,618)	(62,863)	(363,550)
OTHER FINANCING SOURCES (USES)				
Proceeds from loan issuance	-	-	-	-
Transfers in	-	-	133,249	335,675
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>133,249</u>	<u>335,675</u>
Net change in fund balance	3,413	(31,618)	70,386	(27,875)
Fund balances-beginning of year	9,125	103,549	(5,503)	295,413
Restatements	-	-	9,000	-
Fund balances-beginning of year, as restated	<u>9,125</u>	<u>103,549</u>	<u>3,497</u>	<u>295,413</u>
Fund balances-end of the year	<u>\$ 12,538</u>	<u>71,931</u>	<u>73,883</u>	<u>267,538</u>

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

**STATE OF NEW MEXICO
SIERRA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	635 Treasurer Fee Fund	639 Road Dept. FEMA	640 Flood Commission FEMA Fund	641 Fire Department FEMA Fund	Total Special Revenue Funds
REVENUES					
Intergovernmental sources - federal	\$ -	-	-	2,405	25,125
Intergovernmental sources - state	-	-	-	-	1,503,992
Local and state shared taxes	-	-	-	-	1,295,449
Property taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	595,632
Charges for services	6,903	-	-	-	360,452
Other revenue	-	-	-	-	159,620
Total revenues	<u>6,903</u>	<u>-</u>	<u>-</u>	<u>2,405</u>	<u>3,940,270</u>
EXPENDITURES					
Current					
General government	444	-	-	-	443,031
Public safety	-	-	10,006	-	1,722,931
Highways and streets	-	-	-	-	335,322
Health and welfare	-	-	-	-	1,322,007
Culture and recreation	-	-	-	-	9,868
Debt Service					
Principal payments	-	-	-	-	332,934
Interest payments	-	-	-	-	135,523
Capital Outlay					
Capital outlay	-	-	-	-	173,811
Total expenditures	<u>444</u>	<u>-</u>	<u>10,006</u>	<u>-</u>	<u>4,475,427</u>
Excess (deficiency) of revenues over expenditures	6,459	-	(10,006)	2,405	(535,157)
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Transfers in	-	-	-	-	711,364
Transfers out	-	-	-	(2,505)	(387,372)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,505)</u>	<u>323,992</u>
Net change in fund balance	6,459	-	(10,006)	(100)	(211,165)
Fund balances-beginning of year	19,079	-	(20,477)	100	3,326,809
Restatements	-	-	516,681	-	525,681
Fund balances-beginning of year, as restated	<u>19,079</u>	<u>-</u>	<u>496,204</u>	<u>100</u>	<u>3,852,490</u>
Fund balances-end of the year	<u>\$ 25,538</u>	<u>-</u>	<u>486,198</u>	<u>-</u>	<u>3,641,325</u>

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

**STATE OF NEW MEXICO
SIERRA COUNTY
NON-MAJOR CAPITAL PROJECTS FUNDS DESCRIPTION
FOR THE YEAR ENDED JUNE 30, 2018**

NON-MAJOR CAPITAL PROJECTS FUNDS

The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Non-major capital projects funds consist of the following:

State Capital Appropriations Fund 418—To account for monies authorized from the State of New Mexico.

**STATE OF NEW MEXICO
SIERRA COUNTY
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2018**

	418 State Capital Appropriations	Total Capital Project Funds
ASSETS		
Cash and investments	\$ -	-
Due from other funds- pooled cash	115,480	115,480
Accounts receivable	-	-
Grant accounts receivable	-	-
GRT receivable	-	-
Property tax receivable, net	-	-
Prepaid expenses	-	-
Total assets	\$ 115,480	115,480
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Due to other funds- pooled cash	\$ -	-
Due to other governmental units	-	-
Accounts payable	5,488	5,488
Accrued payroll liabilities	-	-
Accrued interest payable	-	-
Unavailable revenue	-	-
Total liabilities	5,488	5,488
Deferred inflows of resources	-	-
FUND BALANCES		
Nonspendable- prepaid expenses	-	-
Restricted	109,992	109,992
Committed	-	-
Assigned	-	-
Unassigned	-	-
Total fund balances	109,992	109,992
Total liabilities, deferred inflows of resources, and fund balances	\$ 115,480	115,480

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

**STATE OF NEW MEXICO
SIERRA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	418 State Capital Appropriations	Total Capital Project Funds
REVENUES		
Intergovernmental sources - federal	\$ -	-
Intergovernmental sources - state	92,482	92,482
Local and state shared taxes	-	-
Property taxes	-	-
Payment in lieu of taxes	-	-
Licenses and permits	-	-
Charges for services	-	-
Interest	-	-
Other revenue	-	-
Total revenues	92,482	92,482
EXPENDITURES		
Current		
General government	-	-
Public safety	-	-
Highways and streets	87,458	87,458
Health and welfare	-	-
Culture and recreation	-	-
Debt Service		
Principal payments	-	-
Interest payments	-	-
Capital Outlay		
Capital outlay	-	-
Total expenditures	87,458	87,458
Excess (deficiency) of revenues over expenditures	5,024	5,024
OTHER FINANCING SOURCES (USES)		
Proceeds from loan issuance	-	-
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balance	5,024	5,024
Fund balances-beginning of year	104,968	104,968
Restatements	-	-
Fund balances-beginning of year, as restated	104,968	104,968
Fund balances-end of the year	\$ 109,992	109,992

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

**STATE OF NEW MEXICO
SIERRA COUNTY
FIDUCIARY FUNDS—AGENCY FUNDS DESCRIPTION
FOR THE YEAR ENDED JUNE 30, 2018**

AGENCY FUNDS

Agency funds are used to account for assets held by the County as an agent for other governments and/or other funds.

Taxes Paid in Advance—To account for the prepayment of property taxes in accordance with Section 7-38-38.2 NMSA 1978, which are not legally due.

Children's Trust Fund—To account for a \$15.00 fee collected by the County Clerk for issuing, acknowledging and recording a marriage license and marriage certificate in accordance with Section 40-1-11E, NMSA 1978. The \$15.00 fee shall be remitted by the County Treasurer to the State Treasurer within 15 days of the last day of each month for credit to the Children's Trust Fund.

Undistributed Taxes—To account for property taxes collected by the County Treasurer and distributed to other governmental units in accordance with Section 7-38-43, NMSA 1978.

Overpayment of Taxes 7-38-38—To account for the overpayment of property taxes in accordance with Section 7-38-38B NMSA 1978. The fund is used to account for excess property taxes paid until a refund can be made to the taxpayer.

Spaceport— to account for gross receipts taxes collected and remitted to the Spaceport authority.

Prisoners Fund— to account for the deposits and expenditures from prisoners' private funds, used to buy personal items at the commissary.

**STATE OF NEW MEXICO
SIERRA COUNTY
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Taxes Paid in Advance Fund 474				
Assets				
Cash and investments	40,498	(24,164)	-	16,334
Receivables-Property tax	-	-	-	-
Receivables-Other	-	-	-	-
Total Assets	40,498	(24,164)	-	16,334
		24,164		
Liabilities				
Deposits held in trust for others	40,498	(24,164)	-	16,334
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	40,498	(24,164)	-	16,334
Underwood Water Caballo Fund 550				
Assets				
Cash and investments	-	1,693	(1,693)	-
Receivables-Property tax	19	1,691	(1,710)	-
Receivables-Other	-	-	-	-
Total Assets	19	3,384	(3,403)	-
Liabilities				
Deposits held in trust for others	19	3,384	(3,403)	-
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	19	3,384	(3,403)	-
Sierra Soil Cons. Dist Fund 551				
Assets				
Cash and investments	6,725	272,258	(275,638)	3,345
Receivables-Property tax	30,821	272,192	(275,008)	28,005
Receivables-Other	-	-	-	-
Total Assets	37,546	544,450	(550,646)	31,350
Liabilities				
Deposits held in trust for others	37,546	544,450	(550,646)	31,350
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	37,546	544,450	(550,646)	31,350
Spaceport Authority Fund 552				
Assets				
Cash and investments	-	291,376	(291,376)	-
Receivables-Property tax	-	-	-	-
Receivables-Other	52,349	299,430	(291,376)	60,403
Total Assets	52,349	590,806	(582,752)	60,403
Liabilities				
Deposits held in trust for others	-	-	-	-
Other liabilities	52,349	590,806	(582,752)	60,403
Future taxes collectible	-	-	-	-
Total Liabilities	52,349	590,806	(582,752)	60,403

See independent auditor's report.

**STATE OF NEW MEXICO
SIERRA COUNTY
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
T or C School Fund 553				
Assets				
Cash and investments	\$ 7,994	97,125	(97,158)	7,961
Receivables-Property tax	-	-	-	-
Receivables-Other	17,450	99,809	(97,124)	20,135
Total Assets	\$ 25,444	196,934	(194,282)	28,096
Liabilities				
Deposits held in trust for others	\$ -	-	-	-
Other liabilities	25,444	196,934	(194,282)	28,096
Future taxes collectible	-	-	-	-
Total Liabilities	\$ 25,444	196,934	(194,282)	28,096
Carballo Water Fund 554				
Assets				
Cash and investments	\$ 408	22,950	(23,282)	76
Receivables-Property tax	1,715	23,342	(23,282)	1,775
Receivables-Other	-	-	-	-
Total Assets	\$ 2,123	46,292	(46,564)	1,851
Liabilities				
Deposits held in trust for others	\$ 2,123	46,292	(46,564)	1,851
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	\$ 2,123	46,292	(46,564)	1,851
City of T or C Fund 575				
Assets				
Cash and investments	\$ 5,455	179,510	(181,570)	3,395
Receivables-Property tax	29,450	171,954	(181,323)	20,081
Receivables-Other	-	-	-	-
Total Assets	\$ 34,905	351,464	(362,893)	23,476
Liabilities				
Deposits held in trust for others	\$ 34,905	351,464	(362,893)	23,476
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	\$ 34,905	351,464	(362,893)	23,476
Village of Williamsburg Fund 576				
Assets				
Cash and investments	\$ 643	9,362	(9,648)	357
Receivables-Property tax	1,513	9,300	(9,766)	1,047
Receivables-Other	-	-	-	-
Total Assets	\$ 2,156	18,662	(19,414)	1,404
Liabilities				
Deposits held in trust for others	\$ 2,156	18,662	(19,414)	1,404
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	\$ 2,156	18,662	(19,414)	1,404

See independent auditor's report.

**STATE OF NEW MEXICO
SIERRA COUNTY
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
City of Elephant Butte Fund 577				
Assets				
Cash and investments	\$ 5,767	256,978	(260,903)	1,842
Receivables-Property tax	25,914	256,836	(254,003)	28,747
Receivables-Other	-	-	-	-
Total Assets	\$ 31,681	513,814	(514,906)	30,589
Liabilities				
Deposits held in trust for others	\$ 31,681	513,814	(514,906)	30,589
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	\$ 31,681	513,814	(514,906)	30,589
Debt Service Fund 591				
Assets				
Cash and investments	\$ 10,234	425,437	(430,848)	4,823
Receivables-Property tax	54,135	426,048	(430,347)	49,836
Receivables-Other	-	-	-	-
Total Assets	\$ 64,369	851,485	(861,195)	54,659
Liabilities				
Deposits held in trust for others	\$ 64,369	851,485	(861,195)	54,659
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	\$ 64,369	851,485	(861,195)	54,659
Cattle Fund 592				
Assets				
Cash and investments	\$ 813	30,117	(30,470)	460
Receivables-Property tax	2,200	31,999	(30,421)	3,778
Receivables-Other	-	-	-	-
Total Assets	\$ 3,013	62,116	(60,891)	4,238
Liabilities				
Deposits held in trust for others	\$ 3,013	62,116	(60,891)	4,238
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	\$ 3,013	62,116	(60,891)	4,238
Sheep, Goat and Alpacas Fund 593				
Assets				
Cash and investments	\$ 2	55	(57)	-
Receivables-Property tax	25	44	(51)	18
Receivables-Other	-	-	-	-
Total Assets	\$ 27	99	(108)	18
Liabilities				
Deposits held in trust for others	\$ 27	99	(108)	18
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	\$ 27	99	(108)	18

See independent auditor's report.

**STATE OF NEW MEXICO
SIERRA COUNTY
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Equines, Swine & Ratites Fund 594				
Assets				
Cash and investments	\$ 14	1,242	(1,246)	10
Receivables-Property tax	197	1,191	(1,287)	101
Receivables-Other	-	-	-	-
Total Assets	<u>\$ 211</u>	<u>2,433</u>	<u>(2,533)</u>	<u>111</u>
Liabilities				
Deposits held in trust for others	\$ 211	2,433	(2,533)	111
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	<u>\$ 211</u>	<u>2,433</u>	<u>(2,533)</u>	<u>111</u>
Dairy Cattle Fund 595				
Assets				
Cash and investments	\$ -	5,456	(5,456)	-
Receivables-Property tax	4	5,507	(5,510)	1
Receivables-Other	-	-	-	-
Total Assets	<u>\$ 4</u>	<u>10,963</u>	<u>(10,966)</u>	<u>1</u>
Liabilities				
Deposits held in trust for others	\$ 4	10,963	(10,966)	1
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	<u>\$ 4</u>	<u>10,963</u>	<u>(10,966)</u>	<u>1</u>
Cost of State Fund 596				
Assets				
Cash and investments	\$ 798	7,810	(8,260)	348
Other liabilities	-	-	-	-
Receivables-Other	-	-	-	-
Total Assets	<u>\$ 798</u>	<u>7,810</u>	<u>(8,260)</u>	<u>348</u>
Liabilities				
Deposits held in trust for others	\$ 798	7,810	(8,260)	348
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	<u>\$ 798</u>	<u>7,810</u>	<u>(8,260)</u>	<u>348</u>
State P&I Fund 597				
Assets				
Cash and investments	\$ 1,996	21,874	(23,169)	701
Receivables-Property tax	-	-	-	-
Receivables-Other	-	-	-	-
Total Assets	<u>\$ 1,996</u>	<u>21,874</u>	<u>(23,169)</u>	<u>701</u>
Liabilities				
Deposits held in trust for others	\$ 1,996	21,874	(23,169)	701
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	<u>\$ 1,996</u>	<u>21,874</u>	<u>(23,169)</u>	<u>701</u>

See independent auditor's report.

**STATE OF NEW MEXICO
SIERRA COUNTY
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Child Trust Fund Act 598				
Assets				
Cash and investments	\$ 165	1,215	(1,245)	135
Receivables-Property tax	-	-	-	-
Receivables-Other	-	-	-	-
Total Assets	\$ 165	1,215	(1,245)	135
Liabilities				
Deposits held in trust for others	\$ 165	1,215	(1,245)	135
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	\$ 165	1,215	(1,245)	135
Bison Levy Fund 599				
Assets				
Cash and investments	\$ -	15,294	(15,294)	-
Receivables-Property tax	-	15,448	(15,448)	-
Receivables-Other	-	-	-	-
Total Assets	\$ -	30,742	(30,742)	-
Liabilities				
Deposits held in trust for others	\$ -	30,742	(30,742)	-
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	\$ -	30,742	(30,742)	-
T or C Schools Fund 702				
Assets				
Cash and investments	\$ 50,228	2,511,427	(2,533,500)	28,155
Receivables-Property tax	280,792	161,257	(157,956)	284,093
Receivables-Other	-	-	-	-
Total Assets	\$ 331,020	2,672,684	(2,691,456)	312,248
Liabilities				
Deposits held in trust for others	\$ 331,020	2,672,684	(2,691,456)	312,248
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	\$ 331,020	2,672,684	(2,691,456)	312,248
Overpayment of Taxes Fund 804				
Assets				
Cash and investments	\$ 1,751	12,149	(9,414)	4,486
Receivables-Property tax	-	-	-	-
Receivables-Other	-	-	-	-
Total Assets	\$ 1,751	12,149	(9,414)	4,486
Liabilities				
Deposits held in trust for others	\$ 1,751	12,149	(9,414)	4,486
Other liabilities	-	-	-	-
Future taxes collectible	-	-	-	-
Total Liabilities	\$ 1,751	12,149	(9,414)	4,486

See independent auditor's report.

**STATE OF NEW MEXICO
SIERRA COUNTY
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Total Agency Funds				
Assets				
Cash and investments	\$ 133,491	4,139,163	(4,200,226)	72,428
Receivables-Property tax	426,785	1,376,809	(1,386,112)	417,482
Receivables-Other	69,799	399,239	(388,500)	80,538
Total Assets	\$ 630,075	5,915,211	(5,974,838)	570,448
Liabilities				
Deposits held in trust for others	\$ 552,282	5,127,471	(5,197,804)	481,949
Other liabilities	77,793	787,740	(777,034)	88,499
Future taxes collectible	-	-	-	-
Total Liabilities	\$ 630,075	5,915,211	(5,974,838)	570,448

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Participants	Responsible Party	Description	Beginning Dates	End date	Total Estimated Project Amount	Amount Applicable to Agency	Current Year Contributions	Audit Responsibility	Fiscal Agent	Revenues and Expenditures reported
New Mexico Energy, Minerals and Natural Resources and Sierra County	EMNRD	EMNRD is responsible for suppression of all wildland fires on non-federal and non-municipal lands.	4/2/2013	On Going	NONE	NONE	NONE	Each participant	N/A	EMNRD
Sierra County, City of Truth of Consequences, The Village of Williamsburg, and The City of Elephant Butte	Each Party	Establish and provide for a centralized communications center to expedite and improve public safety related communications dispatch functions in all political subdivisions jurisdictions.	6/1/2010	On Going	NONE	NONE	\$10,000.00	Each participant	N/A	Each Participant
Sierra County, Sierra County Detention Center Administrator, and The Village of Williamsburg	Each Party	Proper housing and care of Williamsburg's Adult Prisoners in the County of Sierra	7/1/2016	On Going	\$95.00 per day	NONE	NONE	Each participant	N/A	Sierra County
Sierra County and City of Truth of Consequences	City of T or C	Housing of inmates hourly rate	1/28/2018	Pending Amendment for On Going	95.00 per day	NONE	\$19,855.00	Each participant	N/A	Sierra County
Sierra County and City of Truth of Consequences	Each Party	Animal Control, per Animal County Pays	1/18/2014	Pending Amendment On Going	\$30.00 per animal	\$36,000.00	\$1,410.00	Each participant	N/A	Each participant
City of Truth or Consequences, Elephant Butte, Village of Williamsburg, and Sierra County	Each Party	Establish Minimum Pool - Elephant Butte Reservoir	7/17/2017	On Going	NONE	NONE	NONE	Each participant	N/A	Each participant
City of Elephant Butte and Sierra County	Each Party	Provision of Law Enforcement Annual Services	6/14/2017	On Going	\$ 30,000.00	\$ 20,600.00	None	Each participant	N/A	Each participant
Bernalillo County and Sierra County	Each Party	Housing of Inmates Daily Rate	6/18/2017	On Going	\$165.00 per day	NONE	NONE	Each participant	N/A	Bernalillo County
ASI-MV and Sierra County (DWI)	Each Party	Software License	1/7/2014	On Going	NONE	NONE	None	Each participant	N/A	

See independent auditor's report.

STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF CASH, INVESTMENTS, AND PLEDGED COLLATERAL
BY BANK AND ACCOUNT
AS OF JUNE 30, 2018

Account name	Citizens Bank	First Savings Bank	NM Local Government Investment Pool	New Mexico Finance Authority	Petty Cash	Reconciling items	Book Balance
Cash, cash equivalents, and investments							
Primary Checking Account	\$ 7,224,936	-	-	-	-	(408,900)	6,816,036
Money Market Account	70,497	-	-	-	-	-	70,497
Money Market Account	-	99,947	-	-	-	-	99,947
Money Market Account	90,292	-	-	-	-	-	90,292
CD Time Deposit	254,471	-	-	-	-	-	254,471
CD Time Deposit	255,624	-	-	-	-	-	255,624
CD Time Deposit	96,979	-	-	-	-	-	96,979
CD Time Deposit	252,375	-	-	-	-	-	252,375
CD Time Deposit	132,206	-	-	-	-	-	132,206
NM LGIP-Flood Commission	-	-	305,367	-	-	-	305,367
NM LGIP - General	-	-	36,760	-	-	-	36,760
NMMFA	-	-	-	931,733	-	-	931,733
Petty cash	-	-	-	-	360	-	-
Subtotal cash and investments	<u>\$ 8,377,380</u>	<u>99,947</u>	<u>342,127</u>	<u>931,733</u>	<u>360</u>	<u>(408,900)</u>	<u>9,342,287</u>
Total amount of deposit in bank	8,377,380	99,947	-	931,733	-	-	-
(Less) FDIC Insurance	<u>(250,000)</u>	<u>(99,947)</u>	<u>-</u>	<u>(931,733)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total uninsured public funds	8,127,380	-	-	-	-	-	-
Collateral requirement (50% of deposits)	4,063,690	-	-	-	-	-	-
Pledged security at							
FFCB Maturity date 07/09/2021	\$ 2,963,631	-	-	-	-	-	-
FHLB Maturity date 06/10/2022	1,687,876	-	-	-	-	-	-
FHLB Maturity date 12/09/2022	738,635	-	-	-	-	-	-
Total collateral	<u>\$ 5,390,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount over/(under) collateralized & insured	<u>1,326,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount over/(under) collateralized & insured	1,326,452	-	-	-	-	-	-

See independent auditor's report.

**STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF FUND BALANCES
AS OF JUNE 30, 2018**

	401	Special Revenue Fund		627 Flood Commission Fund	Nonmajor Governmental Funds	Total Governmental Funds
		402	605			
	General Fund	Road Fund	Correction Fund			
Fund Balances:						
Nonspendable:						
Prepaid expense	\$ -	-	-	-	-	-
Inventory	-	-	-	-	-	-
Subtotal nonspendable	-	-	-	-	-	-
Restricted for:						
Debt service	-	-	-	-	-	-
Roads & highways	-	24,417	-	-	60,173	84,590
Forests & open spaces	-	-	-	-	-	-
Public safety	-	-	-	-	414,631	414,631
Special projects	-	-	-	-	844,054	844,054
Fire protection	-	-	-	-	940,018	940,018
EMS	-	-	-	-	301,997	301,997
Law enforcement	-	-	-	-	21,621	21,621
Disaster public assistance	-	-	-	1,125,526	486,198	1,611,724
Citizen health	-	-	-	-	682,031	682,031
Juvenile outreach	-	-	-	-	-	-
Indigent fund	-	-	-	-	6,714	6,714
Reserve requirement	491,587	72,450	-	-	-	564,037
Subtotal restricted	491,587	96,867	-	1,125,526	3,757,437	5,471,417
Committed to:						
PILT	-	-	-	-	-	-
Subtotal committed	-	-	-	-	-	-
Assigned to:						
Other purposes	-	-	-	-	-	-
Subtotal assigned	-	-	-	-	-	-
Unassigned:	4,758,010	-	(67,600)	-	(6,120)	4,684,290
Total fund balances	\$ 5,249,597	96,867	(67,600)	1,125,526	3,751,317	10,155,707

See independent auditor's report.

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

Reconciliation of Property Taxes Receivable

Taxes receivable, beginning of year	\$ 9,155,251
Changes to Tax roll:	
Net taxes charged to treasurer for fiscal year	<u>(10,172)</u>
	<u>9,145,079</u>
Adjustments:	
Increases/(Decreases) in taxes receivables	-
Charge off of taxes receivables	-
Total receivables prior to collections	<u>9,145,079</u>
Collections for fiscal year ended June, 30, 2018	<u>(8,215,204)</u>
Allowance for uncollectible	<u>-</u>
Taxes receivable, end of year net	<u>\$ 929,875</u>
Net Property Taxes Receivable by Years:	
2017	\$ 585,222
2016	173,953
2015	39,663
2014	17,417
2013	9,756
2012	9,485
2011	8,117
2010	21,830
2009	32,092
2008	<u>32,340</u>
Taxes receivable, end of year net	<u>\$ 929,875</u>

See independent auditor's report.

STATE OF NEW MEXICO
SIERRA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

INCL. PCT ASSR	ORIGINAL	TAXES	TAXES	ADDS &	ADJUSTED	TAXES	UNCOLLECTED	TAXES	TAXES	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING
		ADDED	DELETED	DELETES	TAXES	COLLECTED		DELETED	TAXES		TAXES	TAXES	D
M DEBT SERV	PRIOR TO	PRIOR TO	PRIOR TO	PRIOR TO	CHARGED PRIOR	PRIOR TO	TAXES AS OF	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	RECEIVABLE AS
Year	TAXES LEVIED	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	TO JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	O JUN 30, 2017	O JUN 30, 2017	O JUN 30, 2017	TO JUN 30, 2018	TO JUN 30, 2018	OF JUN 30, 2018
2017	\$ 426,541.14	-	-	-	426,541.14	-	426,541.14	107.92	(177.10)	(69.18)	426,471.96	(395,867.84)	30,614.12
2016	425,519.70	84.74	(318.46)	(233.72)	425,285.98	(395,493.54)	29,882.44	-	(550.52)	(550.52)	29,331.92	(19,311.86)	10,020.06
2015	414,806.29	4.53	(176.18)	(171.65)	414,634.64	(400,784.46)	13,850.18	-	(23.03)	(23.03)	13,827.15	(11,654.05)	2,173.10
2014	406,270.85	523.04	(363.40)	159.55	406,430.40	(403,240.45)	3,189.95	194.22	(22.71)	171.51	3,361.46	(2,389.74)	971.72
2013	403,097.86	324.08	(141.94)	182.14	403,280.00	(402,255.12)	1,024.88	-	(22.93)	(22.93)	1,001.95	(401.89)	600.06
2012	398,240.99	1,058.62	(4,868.67)	(3,810.05)	394,730.94	(394,098.66)	632.28	-	(28.24)	(28.24)	603.99	(68.92)	535.07
2011	392,228.82	722.92	(358.01)	(135.09)	392,093.73	(391,554.94)	538.79	-	(28.67)	(28.67)	510.12	(39.41)	470.71
2010	428,807.42	475.53	(1,612.28)	(1,136.75)	427,670.66	(426,249.99)	1,420.67	-	(25.27)	(25.27)	1,395.40	(14.40)	1,381.00
2009	308,012.93	1,345.75	(898.08)	447.70	308,660.63	(307,173.13)	1,487.52	-	(19.42)	(19.42)	1,468.10	(18.07)	1,450.03
2008	309,871.97	2,380.81	(2,493.08)	(112.27)	309,759.70	(308,123.78)	1,635.95	-	(29.30)	(29.30)	1,606.65	(4.81)	1,610.84
Tax Total	3,913,697.97	7,120.02	(11,730.17)	(4,610.15)	3,909,087.82	(3,428,884.02)	480,203.80	302.14	(918.24)	(616.10)	479,587.70	(429,751.89)	49,835.81

INCL. PCT ASSR	ORIGINAL	TAXES	TAXES	ADDS &	ADJUSTED	TAXES	UNCOLLECTED	TAXES	TAXES	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING
		ADDED	DELETED	DELETES	TAXES	COLLECTED		DELETED	TAXES		TAXES	TAXES	D
OPERATION	PRIOR TO	PRIOR TO	PRIOR TO	PRIOR TO	CHARGED PRIOR	PRIOR TO	TAXES AS OF	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	RECEIVABLE AS
Year	TAXES LEVIED	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	TO JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	O JUN 30, 2017	O JUN 30, 2017	O JUN 30, 2017	TO JUN 30, 2018	TO JUN 30, 2018	OF JUN 30, 2018
2017	\$ 3,316,432.45	-	-	-	3,316,432.45	-	3,316,432.45	861.75	(1,422.47)	(560.72)	3,315,871.73	(3,080,254.72)	235,617.01
2016	3,282,896.52	711.50	(2,234.36)	(1,522.86)	3,281,374.66	(3,049,741.97)	231,632.69	-	(4,763.07)	(4,763.07)	226,871.62	(150,307.01)	76,564.61
2015	3,204,673.38	39.35	(1,619.82)	(1,480.47)	3,203,192.91	(3,023,287.22)	199,905.69	-	(163.71)	(163.71)	199,741.98	(16,310.95)	183,431.03
2014	3,105,993.68	4,201.09	(3,144.91)	1,056.18	3,106,950.86	(3,082,612.25)	24,347.61	1,692.27	(158.60)	1,533.67	25,881.28	(18,606.95)	7,274.33
2013	3,047,463.28	2,401.33	(1,096.48)	1,304.85	3,048,768.13	(3,041,215.53)	7,552.60	-	(159.25)	(159.25)	7,393.35	(3,016.29)	4,377.06
2012	3,015,216.46	8,819.08	(42,078.64)	(33,259.56)	2,981,956.90	(2,977,410.61)	4,546.29	-	(193.46)	(193.46)	4,352.83	(482.89)	3,869.94
2011	2,999,032.04	6,098.74	(7,107.18)	(1,008.44)	2,998,023.60	(2,994,219.51)	3,804.09	-	(195.42)	(195.42)	3,608.67	(268.37)	3,340.30
2010	2,797,165.66	3,421.60	(11,601.55)	(8,179.95)	2,788,985.71	(2,779,143.53)	9,842.18	-	(150.89)	(150.89)	9,691.29	(86.07)	9,605.22
2009	2,718,381.17	14,942.90	(8,450.25)	6,492.65	2,724,874.82	(2,710,824.33)	14,049.49	-	(158.50)	(158.50)	13,890.99	(73.26)	13,817.73
2008	2,500,577.75	20,703.62	(21,894.22)	(1,190.60)	2,499,387.15	(2,485,187.46)	14,199.69	-	(155.30)	(155.30)	14,044.39	(35.95)	14,008.44
Tax Total	29,897,741.39	61,339.21	(99,127.41)	(37,788.20)	29,859,953.19	(26,123,640.41)	3,736,312.78	2,554.02	(7,550.67)	(4,996.65)	3,731,316.13	(3,346,834.36)	384,481.77

INCL. PCT ASSR	ORIGINAL	TAXES	TAXES	ADDS &	ADJUSTED	TAXES	UNCOLLECTED	TAXES	TAXES	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING
		ADDED	DELETED	DELETES	TAXES	COLLECTED		DELETED	TAXES		TAXES	TAXES	D
SCH LEVY	PRIOR TO	PRIOR TO	PRIOR TO	PRIOR TO	CHARGED PRIOR	PRIOR TO	TAXES AS OF	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	RECEIVABLE AS
Year	TAXES LEVIED	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	TO JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	O JUN 30, 2017	O JUN 30, 2017	O JUN 30, 2017	TO JUN 30, 2018	TO JUN 30, 2018	OF JUN 30, 2018
2017	\$ 156,806.11	-	-	-	156,806.11	-	156,806.11	39.68	(65.00)	(25.32)	156,780.79	(145,226.26)	11,554.53
2016	155,884.68	31.12	(116.40)	(85.28)	155,799.40	(144,850.97)	10,948.43	-	(202.32)	(202.32)	10,746.11	(7,076.38)	3,669.73
2015	152,366.66	1.66	(61.63)	(60.00)	152,306.67	(147,217.56)	5,089.12	-	(8.44)	(8.44)	5,070.68	(4,279.19)	791.49
2014	149,356.05	192.28	(133.64)	58.64	149,414.69	(148,241.91)	1,172.78	71.40	(8.34)	(8.34)	1,235.84	(878.53)	357.31
2013	146,994.64	118.40	(51.66)	66.74	147,051.38	(146,686.86)	364.52	-	(8.42)	(8.42)	356.10	(146.65)	209.45
2012	145,112.62	387.90	(1,788.70)	(1,400.80)	143,711.73	(143,482.34)	229.39	-	(10.25)	(10.25)	219.14	(25.01)	194.13
2011	139,619.61	257.91	(305.99)	(48.08)	139,565.53	(139,373.94)	191.59	-	(10.19)	(10.19)	181.40	(14.00)	167.40
2010	134,342.14	146.09	(495.28)	(349.19)	133,992.95	(133,553.24)	439.71	-	(8.03)	(8.03)	431.68	(4.58)	427.10
2009	130,594.49	634.11	(372.24)	261.87	130,856.36	(130,240.66)	615.70	-	(8.43)	(8.43)	607.27	(3.90)	603.37
2008	120,420.84	896.72	(934.79)	(38.07)	120,382.76	(119,765.84)	616.92	-	(8.04)	(8.04)	608.88	(1.92)	606.96
Tax Total	1,431,491.84	2,666.19	(4,263.44)	(1,597.25)	1,429,894.58	(1,253,413.31)	176,481.27	111.08	(337.55)	(226.47)	176,254.80	(157,956.42)	18,298.38

See independent auditor's report.

STATE OF NEW MEXICO
SIERRA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

INCL. PCT ASSR	ORIGINAL	TAXES	TAXES	ADDS &	ADJUSTED	TAXES	UNCOLLECTED	TAXES	TAXES	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING	
		ADDED	DELETED	DELETES	TAXES	COLLECTED	AS OF	ADDED	DELETED		TAXES	D	TAX	
M DEBT SERV	Year	TAXES LEVIED	PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	CHARGED PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	TAXES AS OF JUL 1, 2017	TAXES AS OF JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	RECEIVABLE AS OF JUN 30, 2018
	2017	\$ 426,541.14	-	-	-	426,541.14	-	426,541.14	107.92	(177.10)	(69.18)	426,471.96	(395,857.84)	30,614.12
	2016	1,761,904.03	-	-	-	1,761,904.03	-	1,761,904.03	445.86	(731.39)	(285.53)	1,761,618.50	(1,635,161.06)	126,457.44
	2015	1,759,579.05	350.98	(1,316.96)	(966.58)	1,758,612.47	(1,635,045.22)	123,567.25	-	(2,276.36)	(2,276.36)	121,290.89	(79,857.20)	41,433.69
	2014	1,713,438.35	18.69	(727.71)	(709.02)	1,712,729.33	(1,655,518.77)	57,210.56	-	(95.07)	(95.07)	57,115.49	(48,139.35)	8,976.14
	2013	1,681,474.93	2,164.75	(1,504.44)	660.31	1,682,135.24	(1,668,932.32)	13,202.92	803.86	(94.06)	709.80	13,912.72	(9,890.68)	4,022.04
	2012	1,668,048.04	1,341.08	(587.47)	753.61	1,668,801.65	(1,664,560.69)	4,240.96	-	(94.88)	(94.88)	4,146.08	(1,663.18)	2,482.90
	2011	1,657,954.20	4,403.86	(20,254.39)	(15,850.53)	1,642,103.67	(1,639,474.23)	2,629.44	-	(117.71)	(117.71)	2,511.73	(286.84)	2,224.89
	2010	1,636,803.14	3,016.79	(3,580.47)	(563.68)	1,636,239.46	(1,633,991.29)	2,248.17	-	(119.64)	(119.64)	2,128.53	(164.42)	1,964.11
	2009	1,590,707.42	1,764.13	(5,981.00)	(4,216.96)	1,586,490.46	(1,581,221.08)	5,269.38	-	(93.68)	(93.68)	5,175.70	(53.44)	5,122.26
	2008	1,518,831.82	7,622.02	(4,428.58)	3,193.44	1,522,025.26	(1,514,690.00)	7,335.26	-	(95.68)	(95.68)	7,239.58	(44.23)	7,195.35
	2008	1,399,315.27	10,751.46	(1,257.83)	(506.37)	1,398,808.90	(1,391,419.96)	7,388.94	-	(91.64)	(91.64)	7,297.30	(21.71)	7,275.59
	Tax Total	16,388,056.25	31,433.16	(49,638.94)	(18,208.78)	16,369,850.47	(14,384,853.56)	1,984,996.91	1,249.72	(3,810.11)	(2,560.39)	1,982,436.52	(1,775,282.11)	207,154.41
INCL. PCT ASSR	ORIGINAL	TAXES	TAXES	ADDS &	ADJUSTED	TAXES	UNCOLLECTED	TAXES	TAXES	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING	
H CAPT IMPRV	Year	TAXES LEVIED	PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	CHARGED PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	TAXES AS OF JUL 1, 2017	TAXES AS OF JUL 1, 2017		JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017
	2017	\$ 627,233.26	-	-	-	627,233.26	-	627,233.26	158.73	(260.38)	(101.65)	627,131.61	(582,113.01)	45,018.60
	2016	609,609.19	6.64	(258.68)	(252.04)	609,351.15	(589,000.81)	20,350.34	-	(33.85)	(33.85)	20,316.49	(17,122.14)	3,194.35
	2015	597,430.51	769.13	(534.53)	234.60	597,665.11	(579,974.12)	4,690.99	285.62	(33.42)	252.20	4,943.39	(3,514.16)	1,429.03
	2014	588,105.72	473.67	(206.72)	266.94	588,372.67	(586,871.08)	1,408.59	-	(37.70)	(37.70)	1,464.89	(536.77)	928.12
	2013	586,054.75	1,556.70	(7,159.53)	(5,602.83)	580,451.90	(579,522.44)	929.46	-	(41.61)	(41.61)	887.85	(101.38)	786.47
	2012	573,913.24	1,061.39	(1,259.07)	(197.68)	573,715.56	(572,928.19)	787.37	-	(41.87)	(41.87)	745.50	(57.53)	687.97
	2011	560,501.22	621.62	(2,107.50)	(1,485.88)	559,015.34	(557,158.72)	1,856.62	-	(33.01)	(33.01)	1,823.61	(18.83)	1,804.78
	2010	522,385.81	2,536.36	(1,488.88)	1,047.48	523,433.29	(520,970.61)	2,462.68	-	(33.75)	(33.75)	2,428.93	(15.60)	2,413.33
	2009	481,694.70	3,586.92	(3,739.33)	(152.41)	481,542.29	(479,074.95)	2,467.34	-	(32.19)	(32.19)	2,435.15	(7.70)	2,427.45
	2008	481,694.70	3,586.92	(3,739.33)	(152.41)	481,542.29	(479,074.95)	2,467.34	-	(32.19)	(32.19)	2,435.15	(7.70)	2,427.45
	Tax Total	5,146,922.41	10,612.43	(16,754.27)	(6,141.84)	5,140,780.57	(4,478,603.92)	662,276.65	444.35	(543.78)	(99.43)	662,177.22	(603,537.12)	58,640.10
INCL. PCT ASSR	ORIGINAL	TAXES	TAXES	ADDS &	ADJUSTED	TAXES	UNCOLLECTED	TAXES	TAXES	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING	
OSPITAL OPER	Year	TAXES LEVIED	PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	CHARGED PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	TAXES AS OF JUL 1, 2017	TAXES AS OF JUL 1, 2017		JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017
	2017	\$ 627,233.26	-	-	-	627,233.26	-	627,233.26	158.73	(260.38)	(101.65)	627,131.61	(582,113.01)	45,018.60
	2016	623,374.14	124.45	(465.34)	(340.89)	623,033.25	(579,249.55)	43,782.70	-	(80.32)	(80.32)	42,973.38	(28,298.67)	14,674.71
	2015	609,609.19	6.64	(258.68)	(252.04)	609,351.15	(589,000.81)	20,350.34	-	(33.85)	(33.85)	20,316.49	(17,122.14)	3,194.35
	2014	597,430.51	769.13	(534.53)	234.60	597,665.11	(592,974.12)	4,690.99	285.62	(33.42)	252.20	4,943.39	(3,514.16)	1,429.03
	2013	588,105.72	473.67	(206.72)	266.94	588,372.67	(586,871.08)	1,408.59	-	(37.70)	(37.70)	1,464.89	(536.77)	928.12
	2012	586,054.75	1,556.70	(7,159.53)	(5,602.83)	580,451.90	(579,522.44)	929.46	-	(41.61)	(41.61)	887.85	(101.38)	786.47
	2011	573,913.24	1,061.39	(1,259.07)	(197.68)	573,715.56	(572,928.19)	787.37	-	(41.87)	(41.87)	745.50	(57.53)	687.97
	2010	560,501.22	621.62	(2,107.50)	(1,485.88)	559,015.34	(557,158.72)	1,856.62	-	(33.01)	(33.01)	1,823.61	(18.83)	1,804.78
	2009	522,385.81	2,536.36	(1,488.88)	1,047.48	523,433.29	(520,970.61)	2,462.68	-	(33.75)	(33.75)	2,428.93	(15.60)	2,413.33
	2008	481,694.70	3,586.92	(3,739.33)	(152.41)	481,542.29	(479,074.95)	2,467.34	-	(32.19)	(32.19)	2,435.15	(7.70)	2,427.45
	Tax Total	5,137,705.83	10,192.34	(16,849.11)	(6,656.77)	5,131,049.06	(4,426,618.98)	704,430.08	444.35	(1,316.70)	(872.35)	703,557.73	(631,245.48)	72,312.25
INCL. PCT ASSR	ORIGINAL	TAXES	TAXES	ADDS &	ADJUSTED	TAXES	UNCOLLECTED	TAXES	TAXES	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING	
SIERRA S&W	Year	TAXES LEVIED	PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	CHARGED PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	TAXES AS OF JUL 1, 2017	TAXES AS OF JUL 1, 2017		JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017
	2017	\$ 272,097.81	-	-	-	272,097.81	-	272,097.81	43.36	(4.61)	38.75	272,136.56	(252,424.67)	19,711.89
	2016	271,794.56	50.61	(311.74)	(261.13)	271,533.43	(252,272.21)	19,261.22	-	(0.33)	(0.33)	19,260.89	(12,806.50)	6,454.39
	2015	265,629.70	3.33	(91.03)	(87.70)	265,542.00	(256,426.66)	9,115.34	-	(0.32)	(0.32)	9,115.02	(7,961.88)	1,153.14
	2014	263,366.67	158.15	(113.84)	44.31	263,410.98	(261,628.54)	1,782.44	142.81	(0.32)	142.49	1,924.93	(1,583.98)	340.95
	2013	260,130.72	202.72	(118.27)	84.45	260,215.17	(259,904.05)	311.12	-	(0.31)	(0.31)	310.81	(226.02)	84.79
	2012	255,747.40	757.53	(2,998.36)	(2,240.83)	253,506.57	(253,420.88)	85.69	-	(0.31)	(0.31)	85.38	(4.81)	80.57
	2011	251,359.33	425.82	(1,854.27)	(1,428.45)	251,930.68	(251,729.39)	70.40	-	(0.30)	(0.30)	70.10	(0.48)	69.62
	2010	244,944.52	169.62	(1,187.03)	(1,017.41)	243,927.11	(243,882.97)	44.14	-	(0.29)	(0.29)	43.85	-	43.56
	2009	236,361.74	453.72	(85.50)	368.22	236,725.96	(236,690.37)	36.59	-	(0.28)	(0.28)	36.31	-	36.03
	2008	204,855.52	751.68	(239.25)	512.43	205,367.95	(205,338.68)	29.27	-	(0.25)	(0.25)	29.02	-	29.02
	Tax Total	2,516,487.97	2,973.18	(5,333.49)	(2,360.31)	2,514,127.66	(2,211,293.64)	302,834.02	186.17	(7.32)	178.85	303,012.87	(275,008.34)	28,004.53

See independent auditor's report.

STATE OF NEW MEXICO
SIERRA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

INCL. PCT ASSR	M DEBT SERV	ORIGINAL TAXES LEVIED	TAXES ADDED	TAXES DELETED	ADDS & DELETED	ADJUSTED TAXES	TAXES COLLECTED	UNCOLLECTED	TAXES ADDED	TAXES DELETED	ADDS & DELETED	AVAIL ADJ TAXES	PD/DISTRIBUTE D	OUTSTANDING TAX
			PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	CHARGED PRIOR TO JUL 1, 2017	PRIOR TO JUL 1, 2017	TAXES AS OF JUL 1, 2017	TAXES AS OF JUL 1, 2017	TAXES AS OF JUL 1, 2017	TAXES AS OF JUL 1, 2017	TAXES AS OF JUL 1, 2017	TAXES AS OF JUL 1, 2017	TAXES AS OF JUL 1, 2017
	2017	\$ 426,541.14	-	-	-	426,541.14	-	426,541.14	107.92	(177.10)	(69.18)	426,471.96	(395,857.84)	30,614.12
ICL. PCT ASSR	DERWOOD SR	ORIGINAL TAXES LEVIED	PRIOR TO JUL 1, 2017	TAXES DELETED JUL 1, 2017	ADDS & DELETED JUL 1, 2017	ADJUSTED TAXES CHARGED PRIOR TO JUL 1, 2017	TAXES COLLECTED PRIOR TO JUL 1, 2017	UNCOLLECTED TAXES AS OF JUL 1, 2017	TAXES ADDED JUL 1, 2017	TAXES DELETED JUL 1, 2017	ADDS & DELETED JUL 1, 2017	AVAIL ADJ TAXES JUL 1, 2017	PD/DISTRIBUTE D JUL 1, 2017	OUTSTANDING TAX RECEIVABLE AS OF JUN 30, 2018
	2017	\$ 1,691.23	-	-	-	1,691.23	-	1,691.23	-	-	-	1,691.23	(1,691.23)	-
	2016	1,674.19	-	-	-	1,674.19	(1,654.98)	19.21	-	-	-	19.21	(19.21)	-
	2015	1,690.98	-	-	-	1,690.98	(1,690.98)	-	-	-	-	-	-	-
	2014	1,675.36	-	-	-	1,675.36	(1,675.36)	-	-	-	-	-	-	-
	2013	1,647.20	-	-	-	1,647.20	(1,647.20)	-	-	-	-	-	-	-
	2012	1,586.22	-	-	-	1,586.22	(1,586.22)	-	-	-	-	-	-	-
	2011	1,559.23	-	-	-	1,559.23	(1,559.23)	-	-	-	-	-	-	-
	2010	1,546.92	-	-	-	1,546.92	(1,546.92)	-	-	-	-	-	-	-
	2009	1,468.67	-	-	-	1,468.67	(1,468.67)	-	-	-	-	-	-	-
	2008	1,439.94	-	-	-	1,439.94	(1,439.94)	-	-	-	-	-	-	-
	Tax Total	15,979.94	-	-	-	15,979.94	(14,269.50)	1,710.44	-	-	-	1,710.44	(1,710.44)	-
ICL. PCT ASSR	CATTLE LEVY	ORIGINAL TAXES LEVIED	PRIOR TO JUL 1, 2017	TAXES DELETED JUL 1, 2017	ADDS & DELETED JUL 1, 2017	ADJUSTED TAXES CHARGED PRIOR TO JUL 1, 2017	TAXES COLLECTED PRIOR TO JUL 1, 2017	UNCOLLECTED TAXES AS OF JUL 1, 2017	TAXES ADDED JUL 1, 2017	TAXES DELETED JUL 1, 2017	ADDS & DELETED JUL 1, 2017	AVAIL ADJ TAXES JUL 1, 2017	PD/DISTRIBUTE D JUL 1, 2017	OUTSTANDING TAX RECEIVABLE AS OF JUN 30, 2018
	2017	\$ 31,998.38	-	-	-	31,998.38	-	31,998.38	-	-	-	31,998.38	(28,985.42)	3,012.96
	2016	34,139.24	-	(15.91)	(15.91)	34,123.33	(32,273.81)	1,849.52	-	-	-	1,849.52	(1,125.42)	724.10
	2015	31,986.79	-	(332.96)	(332.96)	31,653.83	(31,453.58)	200.25	-	-	-	200.25	(188.16)	12.09
	2014	25,876.62	-	(18.73)	(18.73)	25,857.89	(25,801.61)	56.28	-	-	-	56.28	(45.64)	10.64
	2013	24,706.44	-	(18.34)	(18.34)	24,688.10	(24,643.43)	44.67	-	-	-	44.67	(34.17)	10.50
	2012	19,323.44	-	(374.17)	(374.17)	18,949.27	(18,920.69)	28.58	-	-	-	28.58	(21.35)	7.23
	2011	21,404.88	909.75	(2,097.68)	(1,187.93)	20,216.95	(20,195.60)	21.35	-	-	-	21.35	(21.35)	-
	2010	16,500.74	-	-	-	16,500.74	(16,500.74)	-	-	-	-	-	-	-
	2009	17,457.01	-	-	-	17,457.01	(17,457.01)	-	-	-	-	-	-	-
	2008	16,077.82	-	(84.41)	(84.41)	16,893.41	(16,893.41)	-	-	-	-	-	-	-
	Tax Total	240,371.36	909.75	(2,942.20)	(2,032.45)	238,338.91	(204,139.88)	34,199.03	-	-	-	34,199.03	(30,421.51)	3,777.52
ICL. PCT ASSR	SHEEP LEVY	ORIGINAL TAXES LEVIED	PRIOR TO JUL 1, 2017	TAXES DELETED JUL 1, 2017	ADDS & DELETED JUL 1, 2017	ADJUSTED TAXES CHARGED PRIOR TO JUL 1, 2017	TAXES COLLECTED PRIOR TO JUL 1, 2017	UNCOLLECTED TAXES AS OF JUL 1, 2017	TAXES ADDED JUL 1, 2017	TAXES DELETED JUL 1, 2017	ADDS & DELETED JUL 1, 2017	AVAIL ADJ TAXES JUL 1, 2017	PD/DISTRIBUTE D JUL 1, 2017	OUTSTANDING TAX RECEIVABLE AS OF JUN 30, 2018
	2017	\$ 5.23	-	-	-	5.23	-	5.23	-	-	-	5.23	(4.16)	1.07
	2016	4.58	-	-	-	4.58	(4.58)	-	-	-	-	-	-	-
	2015	6.53	-	-	-	6.53	(6.53)	-	-	-	-	-	-	-
	2014	11.62	-	-	-	11.62	(11.62)	-	-	-	-	-	-	-
	2013	14.96	-	-	-	14.96	(14.96)	-	-	-	-	-	-	-
	2012	13.84	-	-	-	13.84	(13.84)	-	-	-	-	-	-	-
	2011	14.44	-	(1.17)	(1.17)	13.27	(13.27)	-	-	-	-	-	-	-
	2010	5.35	-	-	-	5.35	(5.35)	-	-	-	-	-	-	-
	2009	5.31	-	-	-	5.31	(5.31)	-	-	-	-	-	-	-
	2008	8.32	-	-	-	8.32	(8.32)	-	-	-	-	-	-	-
	Tax Total	90.19	-	(1.17)	(1.17)	89.02	(83.79)	5.23	-	-	-	5.23	(4.16)	1.07
ICL. PCT ASSR	GOATS LEVY	ORIGINAL TAXES LEVIED	PRIOR TO JUL 1, 2017	TAXES DELETED JUL 1, 2017	ADDS & DELETED JUL 1, 2017	ADJUSTED TAXES CHARGED PRIOR TO JUL 1, 2017	TAXES COLLECTED PRIOR TO JUL 1, 2017	UNCOLLECTED TAXES AS OF JUL 1, 2017	TAXES ADDED JUL 1, 2017	TAXES DELETED JUL 1, 2017	ADDS & DELETED JUL 1, 2017	AVAIL ADJ TAXES JUL 1, 2017	PD/DISTRIBUTE D JUL 1, 2017	OUTSTANDING TAX RECEIVABLE AS OF JUN 30, 2018
	2017	\$ 43.23	-	-	-	43.23	-	43.23	-	-	-	43.23	(30.51)	12.72
	2016	41.45	-	-	-	41.45	(27.30)	14.15	-	-	-	14.15	(9.52)	4.63
	2015	29.31	-	-	-	29.31	(26.22)	3.09	-	-	-	3.09	(3.09)	-
	2014	27.34	-	-	-	27.34	(24.51)	2.83	-	-	-	2.83	(2.83)	-
	2013	26.68	-	-	-	26.68	(24.18)	2.50	-	-	-	2.50	(2.50)	-
	2012	10.52	-	-	-	10.52	(9.92)	1.50	-	-	-	1.50	(1.50)	-
	2011	7.08	-	(0.06)	(0.06)	7.02	(5.52)	1.50	-	-	-	1.50	(1.50)	-
	2010	12.11	-	-	-	12.11	(12.11)	-	-	-	-	-	-	-
	2009	9.73	-	-	-	9.73	(9.73)	-	-	-	-	-	-	-
	2008	5.15	-	-	-	5.15	(5.15)	-	-	-	-	-	-	-
	Tax Total	212.60	-	(0.06)	(0.06)	212.54	(143.74)	68.80	-	-	-	68.80	(51.45)	17.35

See independent auditor's report.

STATE OF NEW MEXICO
SIERRA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

INCL. PCT ASSR	ORIGINAL	TAXES ADDED	TAXES DELETED	ADDS & DELETED	ADJUSTED TAXES	TAXES COLLECTED	UNCOLLECTED	TAXES ADDED	TAXES DELETED	ADDS & DELETED	AVAIL ADJ TAXES	PD/DISTRIBUTE D	OUTSTANDING TAX
		PRIOR TO	PRIOR TO	PRIOR TO	PRIOR TO	PRIOR TO	PRIOR TO	TAXES AS OF	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017
Year	TAXES LEVIED	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	TO JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	O JUN 30, 2017	O JUN 30, 2017	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018
2017	\$ 426,541.14	-	-	-	426,541.14	-	426,541.14	107.92	(177.10)	(69.18)	426,471.96	(395,857.84)	30,614.12
Tax Total	7,237.30	-	(24.70)	(24.70)	7,212.51	(5,820.61)	1,391.90	-	(38.22)	(38.22)	1,353.68	(1,252.91)	100.77
INCL. PCT ASSR	ORIGINAL	TAXES ADDED	TAXES DELETED	ADDS & DELETED	ADJUSTED TAXES	TAXES COLLECTED	UNCOLLECTED	TAXES ADDED	TAXES DELETED	ADDS & DELETED	AVAIL ADJ TAXES	PD/DISTRIBUTE D	OUTSTANDING TAX
Year	TAXES LEVIED	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	TO JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	O JUN 30, 2017	O JUN 30, 2017	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018
2017	\$ 1,194.67	-	-	-	1,194.67	-	1,194.67	-	(3.55)	(3.55)	1,191.12	(1,115.26)	75.86
2016	944.07	-	(2.34)	(2.34)	941.73	(840.53)	101.20	-	(2.34)	(2.34)	98.86	(74.95)	23.91
2015	1,025.49	-	(5.80)	(5.80)	1,019.69	(967.43)	52.26	-	(2.33)	(2.33)	49.93	(49.93)	-
2014	771.23	-	(1.00)	(1.00)	770.23	(751.46)	18.77	-	(5.00)	(5.00)	13.77	(12.77)	1.00
2013	809.99	-	-	-	809.99	(804.99)	5.00	-	(5.00)	(5.00)	-	-	-
2012	738.74	-	(2.00)	(2.00)	736.74	(733.74)	3.00	-	(3.00)	(3.00)	-	-	-
2011	701.34	-	(13.65)	(13.65)	687.69	(670.69)	17.00	-	(17.00)	(17.00)	-	-	-
2010	607.51	-	-	-	607.51	(607.51)	-	-	-	-	-	-	-
2009	444.26	-	-	-	444.26	(444.26)	-	-	-	-	-	-	-
Tax Total	7,237.30	-	(24.70)	(24.70)	7,212.51	(5,820.61)	1,391.90	-	(38.22)	(38.22)	1,353.68	(1,252.91)	100.77
INCL. PCT ASSR	ORIGINAL	TAXES ADDED	TAXES DELETED	ADDS & DELETED	ADJUSTED TAXES	TAXES COLLECTED	UNCOLLECTED	TAXES ADDED	TAXES DELETED	ADDS & DELETED	AVAIL ADJ TAXES	PD/DISTRIBUTE D	OUTSTANDING TAX
Year	TAXES LEVIED	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	TO JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	O JUN 30, 2017	O JUN 30, 2017	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018
2017	\$ 5,507.84	-	-	-	5,507.84	-	5,507.84	-	-	-	5,507.84	(5,506.92)	0.92
2016	6,421.11	-	-	-	6,421.11	(6,419.07)	2.04	-	-	-	2.04	(2.04)	-
2015	8,593.61	-	-	-	8,593.61	(8,591.61)	2.00	-	-	-	2.00	(2.00)	-
2014	7,244.83	-	-	-	7,244.83	(7,244.83)	-	-	-	-	-	-	-
2013	6,956.79	-	-	-	6,956.79	(6,956.79)	-	-	-	-	-	-	-
2012	5,421.09	-	-	-	5,421.09	(5,421.09)	-	-	-	-	-	-	-
2011	4,887.00	-	-	-	4,887.00	(4,887.00)	-	-	-	-	-	-	-
2010	5,821.66	607.01	(1,214.02)	(607.01)	5,214.65	(5,214.65)	-	-	-	-	-	-	-
2009	8,018.71	1,333.92	(2,667.84)	(1,333.92)	6,684.79	(6,684.79)	-	-	-	-	-	-	-
2008	8,010.72	1,293.62	(2,587.24)	(1,293.62)	6,717.10	(6,717.10)	-	-	-	-	-	-	-
Tax Total	66,883.36	3,234.55	(6,469.10)	(3,234.55)	63,648.81	(58,135.93)	5,511.88	-	-	-	5,511.88	(5,510.96)	0.92
INCL. PCT ASSR	ORIGINAL	TAXES ADDED	TAXES DELETED	ADDS & DELETED	ADJUSTED TAXES	TAXES COLLECTED	UNCOLLECTED	TAXES ADDED	TAXES DELETED	ADDS & DELETED	AVAIL ADJ TAXES	PD/DISTRIBUTE D	OUTSTANDING TAX
Year	TAXES LEVIED	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	TO JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	O JUN 30, 2017	O JUN 30, 2017	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018
2017	\$ 0.87	-	-	-	0.87	-	0.87	-	-	-	0.87	(0.87)	-
2016	0.77	-	-	-	0.77	(0.64)	0.13	-	-	-	0.13	(0.13)	-
2015	0.65	-	-	-	0.65	(0.53)	0.12	-	-	-	0.12	(0.12)	-
2014	0.62	-	-	-	0.62	(0.55)	0.07	-	-	-	0.07	(0.07)	-
2013	0.20	-	-	-	0.20	(0.20)	-	-	-	-	-	-	-
2012	1.36	-	-	-	1.36	(1.36)	-	-	-	-	-	-	-
Tax Total	4.47	-	-	-	4.47	(3.28)	1.19	-	-	-	1.19	(1.19)	-
INCL. PCT ASSR	ORIGINAL	TAXES ADDED	TAXES DELETED	ADDS & DELETED	ADJUSTED TAXES	TAXES COLLECTED	UNCOLLECTED	TAXES ADDED	TAXES DELETED	ADDS & DELETED	AVAIL ADJ TAXES	PD/DISTRIBUTE D	OUTSTANDING TAX
Year	TAXES LEVIED	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	TO JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	O JUN 30, 2017	O JUN 30, 2017	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018
2017	\$ 15,447.98	-	-	-	15,447.98	-	15,447.98	-	-	-	15,447.98	(15,447.98)	-
2016	11,131.56	-	-	-	11,131.56	(11,131.56)	-	-	-	-	-	-	-
2015	9,098.34	-	-	-	9,098.34	(9,098.34)	-	-	-	-	-	-	-
2014	9,248.34	-	-	-	9,248.34	(9,248.34)	-	-	-	-	-	-	-
2013	8,519.83	-	-	-	8,519.83	(8,519.83)	-	-	-	-	-	-	-
2012	6,093.77	-	-	-	6,093.77	(6,093.77)	-	-	-	-	-	-	-
2011	3,465.98	-	-	-	3,465.98	(3,465.98)	-	-	-	-	-	-	-
2010	3,479.27	-	-	-	3,479.27	(3,479.27)	-	-	-	-	-	-	-
2009	2,855.27	-	-	-	2,855.27	(2,855.27)	-	-	-	-	-	-	-
2008	3,747.49	-	-	-	3,747.49	(3,747.49)	-	-	-	-	-	-	-
Tax Total	73,087.83	-	-	-	73,087.83	(57,639.85)	15,447.98	-	-	-	15,447.98	(15,447.98)	-

See independent auditor's report.

STATE OF NEW MEXICO
SIERRA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

INCL. PCT ASSR	ORIGINAL	TAXES	TAXES	ADDS &	ADJUSTED	TAXES	UNCOLLECTED	TAXES	TAXES	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING
		ADDED	DELETED	DELETES	TAXES	COLLECTED	ADDED	DELETED	TAXES		D	TAX	
M DEBT SERV	PRIOR TO	PRIOR TO	PRIOR TO	PRIOR TO	CHARGED PRIOR	PRIOR TO	TAXES AS OF	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	RECEIVABLE AS
Year	TAXES LEVIED	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	TO JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	O JUN 30, 2017	O JUN 30, 2017	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018	OF JUN 30, 2018
2017	\$ 426,541.14	-	-	-	426,541.14	-	426,541.14	107.92	(177.10)	(69.18)	426,471.96	(395,857.84)	30,614.12
INCL. PCT ASSR	ORIGINAL	TAXES	TAXES	ADDS &	ADJUSTED	TAXES	UNCOLLECTED	TAXES	TAXES	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING
ABALLO S&W	PRIOR TO	ADDED	DELETED	DELETES	TAXES	COLLECTED	UNCOLLECTED	ADDED	DELETED	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING
Year	TAXES LEVIED	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	TO JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	O JUN 30, 2017	O JUN 30, 2017	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018	OF JUN 30, 2018
2017	\$ 23,240.72	-	-	-	23,240.72	-	23,240.72	-	-	-	23,240.72	(21,943.53)	1,297.19
2016	22,403.34	-	-	-	22,403.34	(21,294.73)	1,108.61	-	-	-	1,108.61	(819.85)	288.76
2015	21,995.94	-	-	-	21,995.94	(21,688.54)	407.40	-	-	-	407.40	(321.54)	85.86
2014	20,495.19	-	(0.33)	(0.33)	20,494.86	(20,366.28)	128.58	-	-	-	128.58	(188.72)	39.86
2013	19,974.44	5.26	(38.01)	(32.75)	19,941.69	(19,900.14)	41.55	-	-	-	41.55	(8.42)	33.13
2012	20,060.28	-	(5.53)	(5.53)	20,054.75	(20,024.57)	30.18	-	-	-	30.18	-	30.18
Tax Total	128,169.91	5.26	(43.87)	(38.61)	128,131.30	(103,174.26)	24,957.04	-	-	-	24,957.04	(23,182.06)	1,774.98
INCL. PCT ASSR	ORIGINAL	TAXES	TAXES	ADDS &	ADJUSTED	TAXES	UNCOLLECTED	TAXES	TAXES	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING
ON-RENTITION	PRIOR TO	ADDED	DELETED	DELETES	TAXES	COLLECTED	UNCOLLECTED	ADDED	DELETED	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING
Year	TAXES LEVIED	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	TO JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	O JUN 30, 2017	O JUN 30, 2017	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018	OF JUN 30, 2018
2010	\$ -	0.48	(0.48)	-	-	-	-	-	-	-	-	-	-
2009	-	1,177.74	(0.58)	1,177.16	1,177.16	(342.97)	834.19	-	-	-	834.19	-	834.19
2008	-	1,391.65	-	1,391.65	1,391.65	(614.38)	777.27	-	-	-	777.27	-	777.27
Tax Total	-	2,569.87	(1.06)	2,568.81	2,568.81	(957.35)	1,611.46	-	-	-	1,611.46	-	1,611.46
INCL. PCT ASSR	ORIGINAL	TAXES	TAXES	ADDS &	ADJUSTED	TAXES	UNCOLLECTED	TAXES	TAXES	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING
MINISTRATV	PRIOR TO	ADDED	DELETED	DELETES	TAXES	COLLECTED	UNCOLLECTED	ADDED	DELETED	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING
Year	TAXES LEVIED	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	TO JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	O JUN 30, 2017	O JUN 30, 2017	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018	OF JUN 30, 2018
2017	\$ 689.40	-	-	-	689.40	-	689.40	-	(6.88)	(6.88)	682.52	(557.99)	124.53
2016	733.06	-	-	-	733.06	(650.49)	82.57	-	(2.79)	(2.79)	79.78	(32.51)	47.27
2015	700.15	-	(0.53)	(0.53)	699.62	(666.25)	33.37	-	(5.93)	(5.93)	27.44	(7.01)	20.43
2014	771.33	-	(1.85)	(1.85)	769.48	(744.58)	24.90	-	(2.57)	(2.57)	22.33	(7.12)	15.21
2013	930.30	5.64	(2.66)	2.98	933.28	(916.21)	17.07	-	(2.80)	(2.80)	14.27	(1.91)	12.36
2012	797.95	0.92	(5.45)	(4.54)	793.41	(781.72)	11.69	-	(2.60)	(2.60)	9.09	-	9.09
2011	778.63	1.77	(8.50)	(6.73)	771.90	(767.84)	4.06	-	(2.63)	(2.63)	1.43	(0.06)	1.37
2010	724.72	16.35	(73.06)	(56.71)	668.01	(664.85)	4.16	-	(2.59)	(2.59)	1.57	-	1.57
2009	748.89	16.00	(71.26)	(55.26)	693.63	(691.82)	1.81	-	-	-	1.81	-	1.81
2008	738.41	4.96	(17.93)	(12.97)	725.44	(724.29)	1.21	-	-	-	1.21	-	1.21
Tax Total	7,612.84	45.64	(181.25)	(135.61)	7,477.23	(6,606.99)	870.24	-	(28.79)	(28.79)	841.45	(606.60)	234.85
INCL. PCT ASSR	ORIGINAL	TAXES	TAXES	ADDS &	ADJUSTED	TAXES	UNCOLLECTED	TAXES	TAXES	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING
OOD DISTRICT	PRIOR TO	ADDED	DELETED	DELETES	TAXES	COLLECTED	UNCOLLECTED	ADDED	DELETED	ADDS & DELETES	AVAIL ADJ	PD/DISTRIBUTE	OUTSTANDING
Year	TAXES LEVIED	JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	TO JUL 1, 2017	JUL 1, 2017	JUL 1, 2017	O JUN 30, 2017	O JUN 30, 2017	TO JUN 30, 2018	TO JUN 30, 2018	TO JUN 30, 2018	OF JUN 30, 2018
2017	\$ 463,271.03	-	-	-	463,271.03	-	463,271.03	119.05	(62.91)	(56.86)	463,214.17	(429,907.72)	33,419.45
2016	491,794.15	87.91	(273.73)	(185.82)	461,606.33	(429,476.20)	32,130.13	-	(21.41)	(21.41)	32,108.72	(21,160.53)	10,948.19
2015	451,470.51	4.99	(81.54)	(76.55)	451,393.96	(416,252.65)	35,141.31	-	(24.31)	(24.31)	35,117.00	(19,760.93)	2,356.07
2014	444,020.93	356.41	(93.68)	162.73	444,182.76	(440,712.07)	3,470.69	214.21	(21.76)	(19.55)	189.45	(3,660.14)	1,032.51
2013	440,305.99	357.45	(140.27)	217.18	440,523.17	(439,408.97)	1,114.20	-	(24.98)	(24.98)	1,089.22	(443.24)	645.98
2012	436,028.92	1,167.53	(5,320.68)	(4,153.15)	431,875.77	(431,186.78)	688.99	-	(30.87)	(30.87)	658.12	(76.04)	582.08
2011	425,902.46	650.60	(592.05)	67.64	425,970.10	(425,383.14)	586.96	-	(29.02)	(29.02)	557.94	(39.95)	517.99
2010	416,811.67	466.24	(1,547.02)	(1,080.78)	415,730.89	(415,277.87)	453.02	-	(24.74)	(24.74)	428.28	(14.13)	414.15
2009	399,815.77	2,016.09	(1,138.24)	877.85	400,693.62	(398,753.42)	1,940.20	-	(25.30)	(25.30)	1,914.90	(11.70)	1,903.20
2008	370,223.12	2,794.70	(2,913.67)	(118.97)	370,104.15	(368,140.77)	1,963.38	-	(24.34)	(24.34)	1,939.04	(5.77)	1,933.27
Tax Total	4,309,643.65	7,811.01	(12,102.88)	(4,291.87)	4,305,351.78	(3,784,591.87)	520,759.91	333.26	(292.64)	40.62	520,800.53	(467,047.04)	53,753.49
2017	\$ 8,176,100.17	-	-	-	8,176,100.17	-	8,176,100.17	2,053.88	(3,295.16)	(1,241.28)	8,174,858.89	(7,589,635.89)	585,223.00
2016	7,499,632.75	1,527.17	(5,383.13)	(3,855.96)	7,495,776.79	(6,968,813.66)	526,963.13	-	(9,482.25)	(9,482.25)	517,480.88	(343,527.87)	173,953.01
2015	7,937,096.03	85.83	(3,713.48)	(3,627.65)	7,933,468.38	(7,666,365.26)	267,103.12	-	(396.84)	(396.84)	266,706.28	(227,043.26)	39,663.02
2014	7,745,733.23	9,062.17	(7,001.98)	2,060.19	7,747,734.32	(7,657,986.36)	89,747.96	3,780.07	(389.02)	(389.02)	3,391.05	(45,781.25)	17,116.86
2013	7,048,538.11	5,347.90	(2,638.73)	2,709.17	7,051,247.28	(7,034,274.52)	16,972.76	-	(358.11)	(358.11)	16,614.65	(6,858.59)	9,756.09
2012	7,571,431.01	29,115.52	(100,295.00)	(80,080.48)	7,491,351.53	(7,480,174.60)	11,176.93	-	(475.54)	(475.54)	10,699.39	(1,206.75)	9,492.64
2011	7,220,916.71	14,846.99	(17,541.05)	(2,694.06)	7,218,222.65	(7,208,933.40)	9,289.25	-	(490.66)	(490.66)	8,798.59	(681.94)	8,116.65
2010	7,041,700.79	8,405.03	(28,594.09)	(20,189.06)	7,011,511.72	(6,989,100.20)	22,411.54	-	(371.81)	(371.81)	22,039.73	(209.78)	21,829.95
2009	6,662,081.39	36,715.92	(21,419.35)	15,296.57	6,677,371.96	(6,644,736.75)	32,641.21	-	(376.33)	(376.33)	32,264.88	(173.26)	32,091.62
2008	6,158,672.31	50,247.45	(52,532.61)	(2,285.16)	6,156,387.15	(6,123,591.44)	32,795.71	-	(370.09)	(370.09)	32,425.62	(85.56)	32,340.06
Grand Total	\$ 73,051,902.50	146,353.98	(239,029.42)	(92,675.44)	72,959,227.06	(69,803,976.28)	9,155,250.78	5,833.95	(16,005.81)	(16,005.81)	9,145,078.92	(8,215,204.12)	929,874.80

See independent auditor's report.

**STATE OF NEW MEXICO
SIERRA COUNTY
SCHEDULE OF SPECIAL, DEFICIENCY, SPECIFIC, AND CAPITAL OUTLAY APPROPRIATIONS
AS OF JUNE 30, 2018**

<u>Project #</u>	<u>Agency</u>	<u>Project Name</u>	<u>SHARE Fund #</u>	<u>Agreement Date</u>	<u>Reversion Date</u>	<u>Original Appropriation Award (\$)</u>	<u>Expenditures as of June 30, 2017</u>	<u>Current Year Expenditures</u>	<u>Remaining Balance as of June 30, 2018</u>
13-1203	DFA - NM Environment Department	Monticello Water Project		9/14/2016	6/30/2020	\$ 100,000	-	93,385	6,615
12-1200 14-1246	DFA	Regional Animal Shelter		8/23/2016	6/30/2020	100,000	-	89,837	10,163
13-1199	DFA - Aging & Long Term Svs Dept.	SJOA Arrey Community Center	6500	3/3/2017	6/30/2018	3,053	-	3,053	-
	DFA - Aging & Long Term Svs Dept.	SJOA Vehicle	6500	3/3/2017	6/30/2018	\$ 54,000	-	54,000	-
							-	240,275	16,778



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

Mr. Brian Colón, State Auditor and
The Board of County Commissioners
Sierra County
Truth or Consequences, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds of Sierra County (County) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated March 1, 2019.

Internal Control Over Financial Reporting

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

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

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness: 2015-002.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and responses costs to be significant deficiencies: 2015-003, 2017-003, and 2018-004.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2015-003, 2017-003, 2018-001, 2018-002, 2018-003, and 2018-005.

March 1, 2019

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

The County's Response to the Findings

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



Hinkle + Landers, P.C.
Albuquerque, NM
March 1, 2019

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

<u>Reference #</u>	<u>Finding</u>	<u>Status of Prior Year Findings</u>	<u>Type of Finding</u>
Prior Year Findings			
2015-002	Financial Close and Material Adjustments (previously called "Trial Balance")	Modified and Repeated	A
2015-003	Controls over Capital Assets	Modified and Repeated	B,D
2017-001	Segregation of Duties	Resolved	B
2017-002	Information Technology Policy and Procedures	Resolved	B
2017-003	Late Submission of Audit Report	Repeated	B,D
2017-004	Travel and Per Diem	Resolved	C,D
2017-005	Procurement	Resolved	C,D
Current Year Findings			
2018-001	Internal Controls - Cash Receipts	Current	C
2018-002	Internal Controls - Vendor Master File	Current	C
2018-003	Controls Over Gas Cards	Current	C
2018-004	Grant Management	Current	B
2018-005	Annual Reevaluation of Post-Closure Care For Landfill	Current	D

* Legend for Type of Findings

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Finding that Does Not Rise to the Level of a Significant Deficiency (Other Matters) Involving Internal Control Over Financial Reporting
- D. Non-compliance with State Audit Rule, NM State Statutes, NMAC, or other entity compliance
- E. Instance of Material Non-compliance

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

PRIOR YEAR AUDIT FINDINGS

2015-002—FINANCIAL CLOSE AND MATERIAL ADJUSTMENTS

Type of Finding: A

Statement of Condition

While conducting the audit, 42 adjustments were identified by the auditor that were required to be made in order to present the financial statements materially correct. Based on the adjustments made, it was determined that the County should improve the effectiveness of its financial close, monitoring, and reporting process. The financial close should include, but not be limited to:

- Establishing and implementing procedures to initiate, authorize, record, process, and correct the general ledger, and report transactions and
- Monitoring if assigned personnel are completing their task timely and accurately.

The County's trial balance of the general ledger provided for audit required material adjustments to cash, accounts receivable, accrued liabilities, capital assets, and fund balance/net position.

The following outlines the categories and balances of significant adjustments that were proposed

Category	AJE
Adjust interfund receivable	\$ 171,781
Adjust unearned revenue	\$ 1,136,988
Adjust Interfund receivable/payable and cash	\$ 317,965
Restate grant revenue from prior years	\$ 525,681
Record additional grant revenue	\$ 80,250
Adjust investment earnings and balance transfers	\$ 96,461
Restate and record capital lease payable	\$ 79,629
Restate governmental and business type capital assets	\$ 3,454,807
Restate governmental accumulated depreciation	\$ 3,877,712
Restate business-type accumulated depreciation	\$ 212,238
Record donation of capital assets at governmental/government-wide level	\$ 114,305
To correct cash/fund balance	\$ 19,924
To accrue payroll	\$ 12,670
To record additional deferred inflows related to property taxes	\$ 191,162
To record deferred inflows and revenue for County Equalization	\$ 282,725
To restate prior year County Equalization revenue	\$ 167,925
To reclass RHCA expense as principal/interest expense	\$ 113,367
To record NMRHCA Buy-in program as loan/restatement	\$ 939,677

Management's Progress

During 2018, significant improvements were made. The County hired a consultant and the accruals for accounts payables, property taxes receivables and gross receipts payables were provided as well as NMFA cash activity adjustments. However, the auditor still had to make the adjustments mentioned above.

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

Criteria

Internal controls over financial reporting include the ability to timely reconcile general ledger accounts and produce accurate and timely financial statements. Monthly maintenance of the trial balance and preparation of financial statements in accordance with generally accepted accounting principles (GAAP) ensure that timely, accurate and useful information is available to management and those charged with governance.

The financial close and recording these adjustments are considered significant processes of internal control and should be performed by County staff or addressed as nonaudit procedures to be performed by the auditor or other accountants. All threats to independence must be properly mitigated according to independence requirements.

Effect

Because these adjustments were made/identified by the auditor, and not by the County, it shows an internal control weakness in maintaining the general ledger. The effects are the following:

- Risk of misstatements in the financial statements is significantly high
- Untimely financial reporting
- Increased risk of loss of funding sources

Cause

The County did not design and implement effective procedures and workpapers to ensure that a timely and accurate financial close occurred at year end. The County also needs improvement in the use of its general ledger software, Triadic.

Recommendation

We recommend management evaluate all aspects of the financial close and reporting process and establish effective year end accrual workpapers and other tools to aid in the internal controls and procedures to ensure timely and accurate financial statements.

Asking for nonaudit services, example workpapers and technical advice from the auditor or from someone else when these procedures and adjustments are needed is not considered a control deficiency as long as the staff of the County initiates/oversees them and can mitigate the risk of a threat of lack of independence by the auditor. This would entail a person with the proper skills, knowledge and experience initiate the financial close or oversee the auditor's nonattest services in accordance with independence requirements set forth by professional standards.

In addition, we recommend that the County review all trial balances prior to providing them to the auditor, during the audit process and when adjustments are proposed, and at the end of the audit to ensure correctness. Additionally, we recommend that the County ensure that all proposed adjustments by the auditor are reviewed by key officials and that they are approved, prior to the audit completion.

View of Responsible Officials and Corrective Action Plan

At our auditor's request, the county hired a consult to train Finance and Treasurer Department staff on accounts payable accruals, property tax receivables, gross receipts payables, NMFA cash activity adjustments, as well as other topics. The consult provided staff with training, work papers and processes to comply in FY19/20. Due to the comprehensive nature of finances, staff needs additional training to master these activities.

Staff attended trainings with DFA LGBMS, State Auditor, and numerous trainings with our software company, Triadic, in 2018. They will attend additional courses as they become available.

Corrective Action Plan Timeline:

July 1, 2019

Designated Employee Responsible for Corrective Action:

Finance Director is responsible for following the consultant's processes for accrual of accounts payable.

The County Treasurer is responsible for following the consultant's processes for property taxes receivables, gross receipts payables, cash activity adjustments, and NMFA cash activity adjustments.

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

2015-003—CONTROLS OVER CAPITAL ASSETS

Type of Finding: B, D

Statement of Condition

The County's capital asset records had not been reconciled to the physical inventory taken by each department. The listing included assets that were missing in the previous year listing. Additionally, general ledger accounts (fund) have not been established to record changes in capital assets and depreciation on capital assets. Capital assets purchases are recorded in accounts with names that do not represent that type of purchase and they are hard to be identified. The capital outlay accounts were used for limited number of items. The County made significant corrections to their capital asset records during the audit and prior the audit. As a result, there was a \$3,431,849 correction made to capital assets, \$3,877,712 correction made to accumulated depreciation reported in the governmental activities and a \$235,196 correction made to capital assets and accumulated depreciation reported in the business-type activity and landfill fund. Also, the County does not have an annual certified inventory list, signed by the top governing official of the agency.

Management's Progress

The County made some improvements related with the Capital Assets list. However, the capital assets had to be restated due to numerous items that were missing from the previous year listing. Also, the purchases of various capital assets are recorded in various accounts with names that are not indicative of the type of purchase. Very few of the capital assets were recorded in capital outlay accounts. Additional capital assets that needed to be added to the County listing were identified during the audit.

Criteria

In accordance with 2.20.1 NMAC, the County shall establish controls over its capital assets for the primary purposes of safeguarding them and establishing accountability for their custody and use. Capital assets are any property or equipment that has an initial value of more than \$5,000. Among other controls this includes conducting a physical inventory of the entity's capital assets and tagging the assets the entity's custody. In accordance with the rule, the annual physical inventory is a process of verifying that fixed assets owned by the entity are present in their assigned custody and location and evaluating their condition. The physical inventory checks against losses not previously revealed, and brings to light errors in records of accountability, but more importantly, a systematic physical inventory of fixed assets provides an opportunity for surveying their physical condition.

Cause

The County has not established internal control to properly account for capital assets or maintain accurate capital asset accounting records.

Effect

By not establishing internal control procedures over capital assets and not maintaining appropriate accounting records, there is an increase risk that errors and/or irregularities will occur and not be detected and corrected timely. Significant time was needed to create the accounting records and material accounting adjustments were needed to correct the capital assets listing and to record depreciation expense for the year.

Recommendation

We recommend the following:

- Establish and enforce internal control procedures to record, inventory, reconcile, and correct capital asset activities.
- Obtain appropriate training on the use of the Triadic capital asset module in order to accurately capture capital asset activity in the software.
- Perform a reconciliation of the capital outlay accounts and any other general ledger accounts used to purchase capital assets to ensure that all the purchased assets are recorded in the capital assets list.
- At least annually, a capital asset physical inventory should be performed by department, and the physical inventory should be reconciled to the capital asset listing.
- The results of the physical inventory shall be recorded in a written inventory report, certified as to the correctness and signed by the top governing official of the agency as required by the State Audit Rule.

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

View of Responsible Officials and Corrective Action Plan

During the audit process, our auditors and a consultant corrected the county's capital asset deficiencies. Finance staff and capital asset coordinator will receive training on Triadic's capital asset module before July 1, 2019. Department heads will complete an annual reconciliation of all capital assets. Finance and the Capital Asset Coordinator will reconcile capital outlay accounts and other general ledger accounts used to purchase capital assets to ensure that all purchased assets are recorded on the capital assets list. The results of the annual physical inventory will be recorded in a written inventory report, certified as to the correctness and signed by the commission chair.

Corrective Action Plan Timeline:

July 1, 2019

Designated Employee Responsible for Corrective Action:

The County Manager will ensure affected employees receive proper capital asset training and ensure assets entered in the capital asset system and are accounted for.

2017-003—LATE SUBMISSION OF AUDIT REPORT

Type of Finding: B, D

Statement of Condition

The audit report for the County's fiscal year ended June 30, 2018 was not submitted by the December 1, 2018 due date. The audit report was submitted March 1, 2019.

Management Progress

The County is in process of hiring a contractor to cross train personnel.

Criteria

OSA Rule 2.2.2.9.A establishes a due date of December 1, 2017 for submission of this audit report to the Office of the State Auditor.

Effect

The report was not submitted as required. Without the audit report being delivered on time, fund and regulatory agencies as well as legislative committees do not have the financial data available to make funding decisions.

Cause

The reason for the late report was related to the County having significant changes in staff during the audit. The loss of staff resulted in a delay in the completion of the audit.

Recommendation

We recommend the County submit the required deliverables in time for the auditors to complete their procedures to ensure a timely completion of the annual audit. Additionally, the County should implement a formal annual financial reporting and closing process to ensure the Audit Rule deadline is met. The County might consider contracting with an outside contractor to assist in implementing this process and completing year-end reconciliations.

View of Responsible Officials

The county's finance employee lacked the time and training to fulfill all financial department obligations. The county hired a second finance position, and provided and is providing on an ongoing basis appropriate training to implement necessary procedures and internal controls.

The finance director will develop and implement procedures and internal controls and review financial statements before the next audit and compile all necessary information for auditors by August 2019.

The county manager already implemented internal controls for gas card receipts, capital asset inventory processes and cash collection sites.

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

Corrective Action Plan Timeline:

Several trainings have occurred, but training will continue on an ongoing basis.
The finance Director will develop additional internal controls by August 2019.

Designation Of Employee Position Responsible For Meeting Deadline:

Finance Director

Current Year Findings

2018-001—INTERNAL CONTROLS – CASH RECEIPTS

Type of Finding: C

Statement of Condition

During our process of understanding the entity and its environment, the following was noted:

1. Several of the County's cash collection sites (such as the DWI and Sheriff's Department) do not maintain a receipt book and send copies of the receipts to support the collection of public money to the Treasurer's office.
2. Also, it was noted the Sheriff's Department and the DWI Department do not appear to have a "For Deposit Only" endorsement stamp which restricts the funds to a specific bank account. Instead, these departments hand write the restriction. We recommend that these departments procure endorsement stamps.
3. There were no signs posted where receipts are collected that inform the customers that they must receive a receipt and where to call if there are any questions or concerns.

Criteria

1. & 2. Per 6-10-2. Public money; cash books; daily balance; public record, it is the duty of every public official or agency of this state that receives or disburses public money to maintain a cash record in which is entered daily, in detail, all items of receipts and disbursements of public money. The cash record shall be balanced daily so as to show the balance of public money on hand at the close of each day's business. Except as may be otherwise provided by law, the cash record is a public record and is open to public inspection.
3. To reduce the risk of walk in cash receipts being "skimmed" and not collected by the County, we recommend a sign be posted at sites where currency and checks are collected that informs the customer that they must receive a receipt and if there are any questions

Effect

Lack of adequate internal controls over current cash deposit processes increases the risk that a loss or misappropriation of public funds may occur and not be detected in a timely manner.

Cause

The County had not previously been alerted to the need of the rules noted in the above "Compliance" section.

Recommendation

We recommend the following:

1. All cash collected should be recorded via a prenumbered receipt and copies of receipts should be provided to customers.
2. Cash receipts should be balanced daily to show the balance of public money on hand at the close of each day's business at the individual cash collection sites.
3. Signs should be posted with the verbiage as follows:
Customers must receive a receipt. For any problems or discrepancies with your transaction, please contact the finance department directly at (575)-XXX-XXXX" or xxxxxx@sierraco.org.

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

View of Responsible Officials and Corrective Action Plan

The county utilizes a receipt system in each department; however, due to this finding, the county will use receipt books at each cash collection site and forward all receipts to the Treasurer's Office.

The County will provide "For Deposit Only" stamps at all cash collection sites. In addition, the County will post, in conspicuous locations, signs informing customers that they must receive a receipt and list the administrative telephone number for questions.

Corrective Action Plan Timeline:

July 1, 2019

Designated Employee Responsible for Corrective Action:

The County Manager will ensure receipt books, stamps and signs are provided to cash collection sites.

2018-002—INTERNAL CONTROLS—VENDOR MASTER FILE

Type of Finding: C

Statement of Condition

During our process of understanding the entity and its environment, we determined there is inadequate segregation of duties related to vendor set up and approval.

Criteria

Access controls over the vendor master file should be appropriately restricted. The creation and maintenance of the vendor master file should be assigned and restricted to only a few key personnel to ensure that only authorized individuals have the ability to make changes, deletions, or additions to the vendor master file. The duties of these key personnel should also be segregated.

Effect

Lack of adequate internal controls over the vendor master file increases the risk that a loss or misappropriation of public funds may occur and not be detected in a timely manner.

Cause

The County had not previously been alerted to the need for appropriate controls, including segregation of duties, in relation to the vendor master file.

Recommendation

Authorization to enter vendors could be restricted to as few as 2 employees with an additional back-up. Employees setting up and adding the new vendors should not be able to approve the vendor. There should be an independent review and approval process.

Consider establishing a new vendor set up form maintained electronically or in a hard-copy file that includes:

- Requestor and approver of vendor
- A checklist verifying that a W-9 has been received, vendor verification and validation has been completed (including the means used to validate vendor existence)

View of Responsible Officials and Corrective Action Plan

Finance access to the vendor maintenance system is restricted to view only. The Human Resource Director will maintain access to cover emergency entry's in the CPO's absence. The CPO is responsible for monitoring the vendor list daily, ensuring that only appropriate vendor's are entered.

Corrective Action Plan Timeline:

February 18, 2019

Designated Employee Responsible for Corrective Action:

County Manager

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

2018-003— CONTROLS OVER GAS CARDS

Type of Finding: C

Statement of Condition

During our review of one month of Wright Express fuel card (WEX) transactions with total expenditures of \$17,839, transactions were examined for compliance with applicable statutes and County policy. As a result of this review, we noted that 8% of the fuel receipts were missing, totaling \$1,344.

Criteria

Per 1.5.4.12., State of New Mexico credit cards shall be used only for official business and only to furnish state-owned vehicles with: A. regular gasoline; B. unleaded gasoline; C. diesel fuel; D. lubrication motor oil; F. car wash; and G. emergency purchases not exceeding \$100.00 in total. Per NMAC 1.5.3.19, the state agency shall seek reimbursement from employees who make unauthorized purchases on the state fuel credit card.

Additionally, per 1.5.3.19 B. NMAC, the state agency shall assign a single fuel credit card to each vehicle using the state issued license plate number or a unique fixed asset number that is tied back to the vehicle that the card is assigned to. Furthermore, the County's internal policy requires a purchase order be completed for all equipment fuel purchases.

Effect

Inadequate internal oversight can heighten the potential for fraud or misappropriation of public funds.

Cause

The County does not appear to have controls in place to ensure all receipts for fuel purchases are maintained.

Recommendation

The County may consider seeking restitution for unauthorized purchases made using the Wright Express Fuel Cards, in accordance with statutory requirements. The County should implement regular monitoring of purchases made with the fuel cards and require supporting documentation for purchases made should be remitted to the liaison at the time the vehicle is returned. The County should document inquiries and explanations for transactions which appear to be in violation of policy. Reimbursement for all unauthorized purchases should be documented with the Vehicle Coordinator.

View or Responsible Officials and Corrective Action Plan

Effective February 19, 2019, employees received notice that fuel receipts are required for every purchase of fuel, and employees losing receipts must complete a lost receipt form with an explanation. In addition, Department heads and elected officials will reconcile vehicle mileage logs with missing receipts, verifying the expense and submit verification to Accounts Payable.

Corrective Action Plan Timeline:

February 19, 2019

Designated Employee Responsible for Corrective Action:

County Manager

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

2018-004—Grant Management

Type of Finding: B

Condition

Internal control over grant management is not adequate to properly track the County's grants.

Criteria

Tracking of all grants by type and amount is important in order to ensure to accurate accounting for grant revenue and expenses per GASB 33 and to avoid discrepancies resulting from double billing or under-billing.

Effect

The County has a higher risk of over/under spending grant funds and there is a risk that the presentation of the financial statements could be materially incorrect due to missed accruals related to the grants.

Cause

Management has not analyzed and implemented the needed controls over grant management.

Recommendation

Management should make an evaluation of controls in place, identify the weakest areas and develop controls to strengthen those areas. We recommend a tracking system that includes all the grants with amounts that were spent but not billed yet and amount billed but not received yet.

View or Responsible Officials and Corrective Action Plan

The Finance Department will create and maintain a spreadsheet for grants. Finance will maintain a spreadsheet for each grant. Finance will maintain the spreadsheet with the grant name, award amount, expense invoice number, amount paid, check reference number, and date of check.

Corrective Action Plan Timeline:

July 1, 2019

Designated Employee Responsible for Corrective Action:

Finance Director

2018-005—ANNUAL REEVALUATION OF POST CLOSURE CARE FOR LANDFILL

Type of Finding: D

Statement of Condition

During review of the County's post closure care for the closed Landfill, it was determined that the County was not properly performing the required annual reevaluations.

Criteria

Per NMAC 20.9.10.10; During the active life of the facility and during the post-closure care period, the owner or operator shall annually adjust the post-closure care estimate for inflation, and any other factors affecting post-closure care costs. The owner or operator shall place a copy of the adjusted estimate in the operating record.

Effect

The County may not have budgeted and/or set-aside the appropriate funds to cover the post closure care costs as the amount estimated for set-aside has not changed in several years.

Cause

The County had been using an old financial assurance cost estimate that they believed to be adequate.

Recommendation

We recommend the County reassess post-closure costs performed annually and adjust the liability as needed per the cost estimate.

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

View of Responsible Officials and Corrective Action Plan

Sierra County closed its landfill several years ago. As a result, the County implemented a post-closure plan consistent with statutory and regulatory requirements. The plan stipulates that the County accrual \$7,500 per year for 30 years. The county has complied with this requirement to date.

Due to this finding, the County will consult with an engineer and determine if annual cost adjustments are needed, and if so, increase or decrease the financial assurance accordingly.

Finding Resolution Timeline:

July 1, 2019

Designated Employee Position:

County Manager

**STATE OF NEW MEXICO
SIERRA COUNTY
OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2018**

A. PREPARATION OF FINANCIAL STATEMENTS

Presentation: The accompanying financial statements are the responsibility of the County and are based on information from the County's financial records. Assistance was provided by Hinkle + Landers, PC to the County in preparing the financial statements.

B. EXIT CONFERENCE

The contents of the report for Sierra County were discussed on March 1, 2019. The following individuals were in attendance.

Sierra County Officials

James Paxon

Terri Copsin

Bruce Swingle

Becky Mena

Jocelyn Holguin

Serina Bartoo

Larita Engle

County Commissioner Chairman

County Treasurer

County Manager

Finance Director

Chief Procurement Officer

Executive Assistant

Indigent Clerk

Auditors

Katelyn Constantin

Cosmina Hays, CPA, CGFM, MBA

Senior Audit Manager

Audit Manager