

Taos County
Financial Statements
For the Year Ended June 30, 2018



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INTRODUCTORY SECTION

STATE OF NEW MEXICO
Taos County
Annual Financial Report
June 30, 2018
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STATE OF NEW MEXICO

Taos County
Official Roster
June 30, 2018

<u>Name</u>	<u>Governing Body</u>	<u>Title</u>
Jim K. Fambro		County Commission Chairman
Mark Gallegos		County Commissioner
Gabriel J. Romero		County Commissioner
Candyce O'Donnell		County Commissioner
Tom Blankenhorn		County Commissioner

Elected Officials

Susan K. Trujillo	County Treasurer
Abel Montoya	County Assessor
Anna Martinez	County Clerk
Jerry Hogrefe	County Sheriff

**Administration and
Management**

Leandro Cordova	County Manager
Lupe Martinez	Finance Director
Paula Santistevan	Deputy County Treasurer

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

County Commissioners
Taos County
Wayne Johnson
New Mexico State Auditor
Taos, 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 of Taos 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of the County, as of June 30, 2018, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 12 through 21 and that Schedules A-1 and A-2, the notes to the Required Supplementary Information, and Schedules B-1 and B-2 on pages 74 through 85 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 introductory section, the combining and individual fund financial statements, and Supporting Schedules I through V required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2018 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.

A handwritten signature in blue ink that reads "Cordova CPAs LLC". The signature is written in a cursive, flowing style.

Cordova CPAs LLC
Albuquerque, New Mexico
November 22, 2018

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**STATE OF NEW MEXICO
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Management's Discussion & Analysis
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BUDGETARY HIGHLIGHTS

The County budgets reflect the same pattern as seen in the revenues and expenditures of the County. The State of New Mexico budget process is defined under state law and regulation. To enhance the process of developing a budget at the County level, utilizing a performance-based budgeting methodology as staff was instructed to build their budgets based on the historical need of each department to achieve the function's desired outcome while leaving the budget as flat as possible due to revenue projections. Taos County takes into consideration the objectives defined by the County Commissioners, community meetings, long-term plans and input from various staff groups to develop the County budget. County priorities are well defined throughout this process.

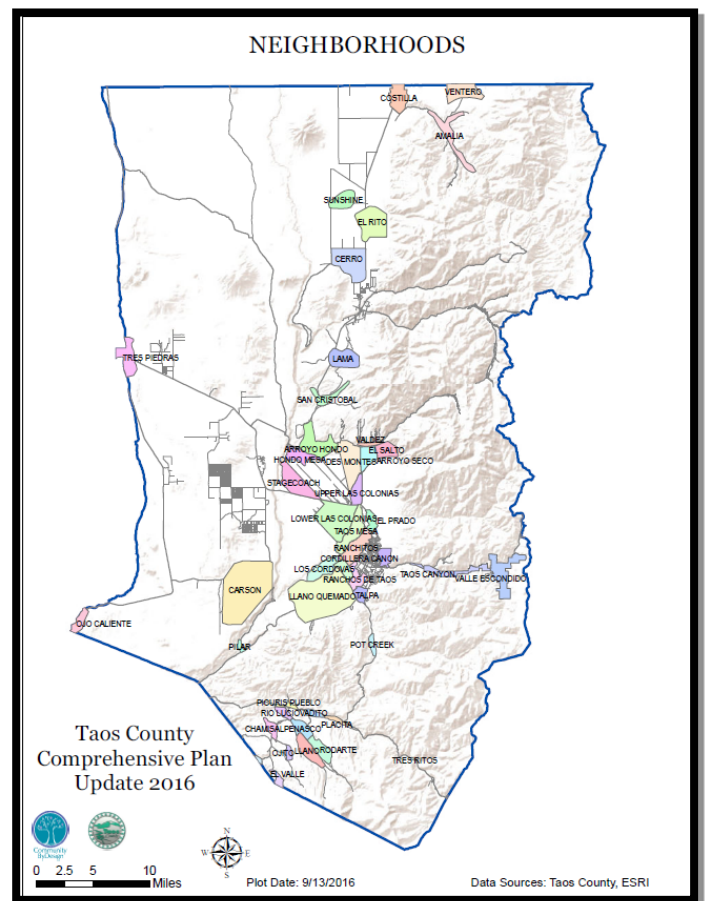
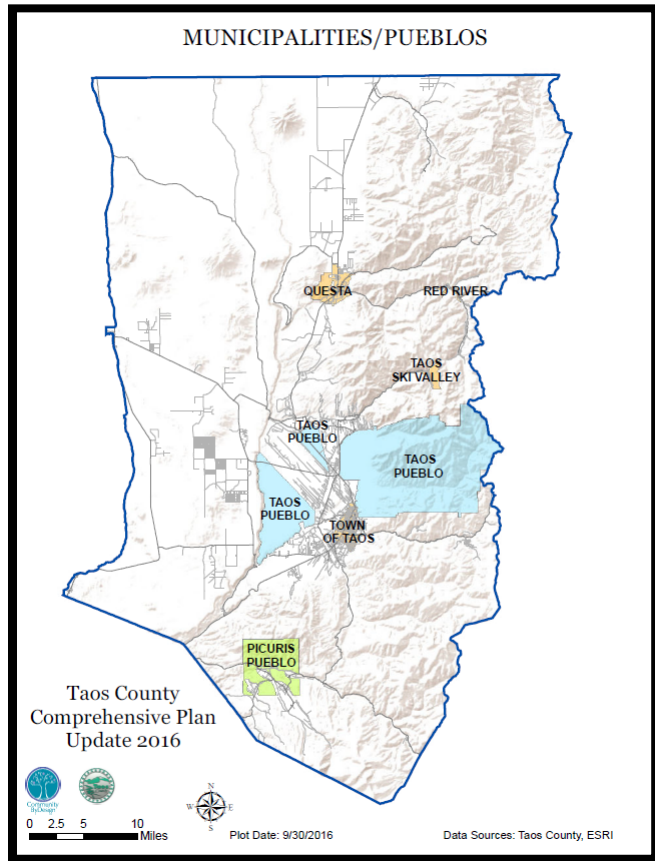
GASB Statement No. 34 requires budgetary comparison schedules for the General Fund and major special revenue funds that have a legally adopted budget. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and; expenses are recognized when a liability is incurred, regardless of the timing of related cash flow.



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Taos County's Economic Development Plan represents a concerted effort by Taos County to create a long-term foundation for economic prosperity, within the context of the Taos County's Comprehensive Plan, both can be found on our website at www.taoscounty.org

Taos County is comprised of a number of unique communities that share strong land and water connections and a rich cultural heritage. In our neighborhoods, generations of families live and work, unifying around shared goals and respecting our diversity. We strive to sustain our cultures and traditions in creating vibrant neighborhoods. We support our locally-based economic development, care for our natural and agricultural resources, and protect the health, safety and prosperity of all our citizens.



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Miscellaneous Statistical Data

Year of Incorporation	1852
Form of Government	Commission— Manager
Commission Members	Elected 5 Member Board of Commissioners
Area	2,204 square miles
Miles of County Roads (Maintained)	322.22 miles
Number of Full-Time Positions	283
Number of Sworn Officers	21
Number of Parks	1
Median Household Income	\$35,824
Median Age	48.1 years
Population	32,937
Bond Rating	BBB

Source: Taos County's Economic Development Plan as recorded in Book 935 page 238 of the records of the Taos County Clerk on January 23, 2017.



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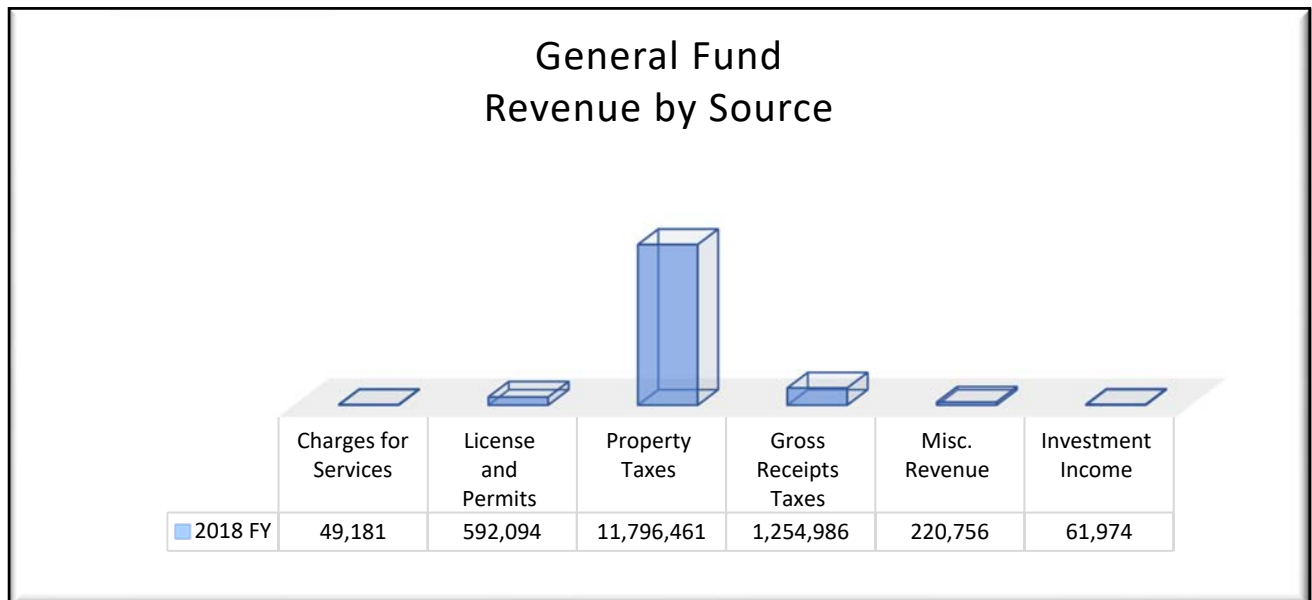
As management of Taos County, we offer readers of Taos County financial statements this narrative overview and analysis of the financial activities of Taos County for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the financial statements of Taos County and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of Taos County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$53,732,164 (*net position*) as illustrated on Exhibit A-1
- As of June 30, 2018, the County's governmental funds reported combined ending fund balances of \$35,878,724 as illustrated on Exhibit B-2.
- At the close of the current fiscal year, unassigned fund balance for the general fund was \$3,957,075, or 37.53 percent of total general fund expenditures of \$10,544,734.

BUDGETARY HIGHLIGHTS

The County's General Operating budget for the period ending June 30, 2018 recorded revenue in the amount of \$13,975,452 during the fiscal year as illustrated below.



The total variation in expenditures from the final budget and actual results in the General Operating Fund was a favorable amount of \$1,369,627. The significant variation was identified in other categories due to the reorganization of our county resources and centralized purchasing. The favorable variance is attributed to careful monitoring of the budget in each of the County's departments.

Taos County's property tax base was assessed at \$1.4 billion for property tax year 2017 broken down as follows: \$903,397,121 – Residential and \$557,832,333 – Non-Residential multiplied by the operating tax rates and Collection Rate of 91.5% Taos County estimates property taxes to generate \$10,715,948 in revenue.

As you read through the financials, you will note the non-major governmental funds have sufficient cash

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balances at year end to continue operations in FY 2019 with no interruptions. Notable funds include Property Valuations Fund, Road Fund, E-911 Fund, Indigent Health Care Fund, Mill Levy Fund and Detention Fund.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financials statements distinguish functions of Taos County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements of the County's activities are presented in the following categories:

Governmental activities – Most of the County's basic services are included here, such as general government, public safety, public works, and culture and recreation. Gross receipts taxes, property taxes, and intergovernmental revenues finance most of these activities.

Business-type activities – The services provided by the County are included here are Solid Waste and Ambulance intended to recover all or a significant portion of their costs through user fees and charges for their operations.

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

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

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

Taos County maintains sixty-one individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund and the Educational Bond Fund are considered to be major funds. Data from the other fifty-two governmental funds are combined into a single, aggregated presentation.

Taos County adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental fund types include budgetary comparison data.

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

Proprietary funds. The County maintains two proprietary funds are generally used to account for services for which the County charges customers – either outside customers or internal units or departments of the County. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The County maintains one type of proprietary fund:

Enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the operations of the Solid Waste and Ambulance operations of the County. The enterprise funds are considered to be major funds of the County.

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after Exhibit E-1 of this report.

Combining statements. The combining balance sheet statements referred to earlier in connection with non-major governmental funds, major debt service funds and proprietary funds are presented immediately following the required supplementary information.

Analysis of Net Position

As noted, net position may serve overtime as a useful indicator of a government's financial position. Taos County's assets exceeded its liabilities by \$53,732,164 as illustrated below:

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**Condensed Statement of Net Position
As of June 30, 2018**

	Governmental Activities		Business-Type Activities		Total Government	
	2017	2018	2017	2018	2017	2018
Assets						
Current Assets	38,428,350	27,690,233	1,075,185	1,144,879	39,503,535	28,835,112
Noncurrent Assets	91,429,711	101,687,673	2,282,690	1,881,636	93,712,401	103,569,309
Total Assets	129,858,061	129,377,906	3,357,875	3,026,515	133,215,936	132,404,421
Deferred Outflows of resources	7,234,784	5,511,444	1,081,060	812,125	8,315,844	6,323,569
Total Assets and deferred outflows of resources	137,092,845	134,889,350	4,438,935	3,838,640	141,531,780	138,727,990
Liabilities						
Current Liabilities	5,266,711	6,074,625	155,474	188,057	5,422,185	6,262,682
Noncurrent Liabilities	71,385,131	71,612,916	2,824,246	3,962,702	74,209,377	75,575,618
Total Liabilities	76,651,842	77,687,541	2,979,720	4,150,759	79,631,562	81,838,300
Deferred Inflows of resources	529,532	3,469,645	79,126	556,349	608,658	4,025,994
Net Position						
Net Investment in capital assets	35,150,966	42,407,571	2,282,690	1,881,636	37,433,656	44,289,207
Restricted for						
Other purposes	32,373,480	28,405,272	-	-	32,373,480	28,405,272
Unrestricted	(7,612,975)	(17,080,679)	(902,601)	(2,750,104)	(8,515,576)	(19,830,783)
Total Net Position	59,911,471	53,732,164	1,380,089	(868,468)	61,291,560	52,863,696
Total liabilities, deferred inflows or resources and net position	137,092,845	134,889,350	4,438,935	3,838,640	141,531,780	138,727,990

**Condensed Statement of Activities
As of June 30, 2018**

	Governmental Activities		Business-Type Activities		Total Government	
	2017	2018	2017	2018	2017	2018
Program revenues						
Charges for services	1,944,845	1,752,294	2,037,139	2,342,987	3,981,984	4,095,281
Operating grants and contributions	5,190,961	7,621,358	-	-	5,190,961	7,621,358
Capital grants and contributions	3,122,702	369,926	-	8,529	3,122,702	378,455
General Revenue						
Taxes, penalties and interest	24,030,342	24,862,318	287,755	271,253	24,318,097	25,133,571
Investment income	76,902	209,151	-	-	76,902	209,151
Other revenue	799,459	1,252,557	153,184	3,646	952,643	1,256,203
Total Revenues	35,165,211	36,067,604	2,478,078	2,626,415	37,643,289	38,694,019
Expenses						
General government	15,379,372	12,818,235	-	-	15,379,372	12,818,235
Public safety	8,343,606	9,352,103	-	-	8,343,606	9,352,103
Public works	1,901,321	2,981,880	-	-	1,901,321	2,981,880
Culture and recreation	288,753	384,830	-	-	288,753	384,830
Health and welfare	2,511,110	3,287,389	-	-	2,511,110	3,287,389
Interest	2,200,903	3,028,068	-	-	2,200,903	3,028,068
Solid Waste	-	-	1,414,502	1,429,094	1,414,502	1,429,094
Ambulance	-	-	2,004,537	2,121,697	2,004,537	2,121,697
Total Expenses	30,625,065	31,852,505	3,419,039	3,550,791	34,044,104	35,403,296
Increase in net position before transfers	4,540,146	4,215,099	(940,961)	(924,376)	3,599,185	3,290,723
Transfers	(312,128)	(337,138)	312,128	337,138	-	-
Change in net position	4,228,018	3,877,961	(628,833)	(587,238)	3,599,185	3,290,723
Net position - beginning of year	55,683,453	49,854,203	2,008,922	(281,230)	57,692,375	49,572,973
Net position - ending of year	59,911,471	53,732,164	1,380,089	(868,468)	61,291,560	52,863,696

The difference in the beginning net position from year to year is due to the restatement required from the implementation of GASB Statement No. 75. See note 12 for more details.

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Management's Discussion & Analysis
June 30, 2018**

Capital Assets and Debt Administration

Taos County's capital assets for its governmental and business-type activities as of June 30, 2018 amount to \$93,634,468 (net of accumulated depreciation) broken down as follows: \$91,752,832 for governmental activities and \$1,881,636 for business-type activities. This investment in capital assets includes land improvements, right of way, construction in progress, buildings and improvements, infrastructure, vehicles and machinery and equipment.

**Capital Assets
As of June 30, 2018**

	Governmental Activities		Business-Type Activities		Total Government	
	2017	2018	2017	2018	2017	2018
Capital Assets						
Land	7,059,883	7,059,883	-	-	7,059,883	7,059,883
Right of Way	18,750,380	18,750,380	-	-	18,750,380	18,750,380
Construction in Progress	1,092,199	393,300	-	-	1,092,199	393,300
Building and improvements	57,293,188	59,147,534	9,875,919	9,875,919	67,169,107	69,023,453
Infrastructure	41,889,625	43,457,771	-	-	41,889,625	43,457,771
Leasehold improvements	12,198,620	203,155	-	-	12,198,620	203,155
Vehicles	197,391	13,667,306	848,575	876,071	1,045,966	14,543,377
Machinery and equipment	7,726,900	7,926,829	238,689	247,218	7,965,589	8,174,047
<i>Accumulated depreciation</i>	<i>(55,080,342)</i>	<i>(58,853,326)</i>	<i>(8,680,493)</i>	<i>(9,117,572)</i>	<i>(63,760,835)</i>	<i>(67,970,898)</i>
Total Capital Assets	91,127,844	91,752,832	2,282,690	1,881,636	93,410,534	93,634,468

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 6 in the accompanying notes to the financial statements for further information regarding capital assets.

Debt Administration. At the end of the current fiscal year, Taos County had total long-term obligations outstanding of \$48,236,517 consisting of \$19,985,437 in bonds payable and \$27,267,274 in notes payable. The remaining liabilities totaling \$983,806 consist of capital leases of \$329,854 and compensated absences \$653,952 as summarized below:

**Long-Term Debt
As of June 30, 2018**


	Governmental Activities		Business-Type Activities		Total Government	
	2017	2018	2017	2018	2017	2018
Revenue Bonds	23,560,437	19,985,437	-	-	23,560,437	19,985,437
Notes Payable	32,241,853	27,267,274	-	-	32,241,853	27,267,274
Capital Leases	476,455	329,854	-	-	476,455	329,854
Compensated Absences	591,999	562,829	104,043	91,123	696,042	653,952
Total Long-Term Debt	56,870,744	48,145,394	104,043	91,123	56,974,787	48,236,517

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ECONOMIC OUTLOOK

In Fiscal Year 2019, the County will continue with designing a performance-based budget as revenue projections from prior year experience a marginal increase of 2.5 percent.

As illustrated below, Taos County's budgetary statement for Fiscal Year 2019, the General Operating Fund is projected to account for 37% of budgeted revenues (\$13,950,285) followed by Special Revenue Fund projected at 24% or (\$9,019,848) respectfully.

	FY 2019 FINAL BUDGET STATEMENT					
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Enterprise Fund	Total
Beginning Fund Balance	6,333,780	12,570,322	9,738,778	5,010,813	554,989	34,208,683
Revenue	13,950,285	9,019,848	7,432,467	4,215,103	2,468,213	37,085,916
Transfers IN	2,055,643	3,364,120	4,519,782	2,023,992	372,551	12,336,088
Expenditures	11,971,035	21,510,006	13,362,283	6,861,596	3,205,066	56,909,986
Transfers OUT	3,423,346	884,592	4,844,598	3,183,552	-	12,336,088
Total Fund Balance	6,945,326	2,559,692	3,484,146	1,204,761	190,688	14,384,613

Taos County will continue to monitor its local economic growth through the issuance of building permits, business licenses and business closings, our internal accountants are continuously analyzing the GRT's distributed to the County according to industry type and location. Historically, Taos County does not support large expenditures until after 2nd Quarter to ensure revenues will support the expenditures. Our financials are provided to management on a monthly basis with a comprehensive review presented to our governing board each quarter-end with focus on the historical trends of revenues and expenditures.

Taos County's lodger's tax revenue has remained relatively flat from prior years, so we have joined our surrounding local public bodies with a marketing campaign to advertise Taos, which prides itself with our year-round tourist market that captures the natural beauty and promotes a vision of Taos as a unique destination.

Taos County plans to continue its lobbying efforts to restore the Secure Rural Schools SRS funding, which would affect the County's ability to provide adequate resources to maintain our school bus routes in the areas that bound federal forest service lands. Taos County will join a group of other counties in the PILT lawsuit to restore the proper allocation owed to each county.

During the last few fiscal years, Taos County has focused primarily on saving taxpayer dollars by initiating centralized purchasing, creating a Fleet Department, providing a Self-Funded Insurance for our employees, and reducing our insurance deductibles.

Taos County Finance Department analyzes the budgeted transfers at year end and initiates transfers to our major funds, which alleviates the transfers of cash during the first quarter of the new fiscal year. In addition, Taos County transfers cash to grants on an "as needed basis" which streamlines the grant reconciliation process allowing for timely reimbursements. As most counties have felt the budget impacts from the recent federal cuts, Taos County will continue to seek grant opportunities to offset the federal cuts made to ensure that we are providing adequate services to our public and; to ensure that we can afford the necessary upkeep and continued maintenance of our county owned property well into the future.

**STATE OF NEW MEXICO
TAOS COUNTY
Management's Discussion & Analysis
June 30, 2018**

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors with a general overview of the County's finances and to demonstrate the County's accountability of the inflow of outflow of its resources. If you have questions concerning any of the information provided in this report or would like to request for additional financial information, please contact the Finance Department at Taos County, 105 Albright Street, Suite I, Taos, New Mexico 87571.

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

Taos County
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 19,664,307	\$ 554,990	\$ 20,219,297
Investments	4,250,608	-	4,250,608
Receivables:			
Customer receivable, net	-	534,221	534,221
Property taxes receivable	1,098,907	-	1,098,907
Other receivables	2,531,431	55,668	2,587,099
Inventory	144,980	-	144,980
<i>Total current assets</i>	<u>27,690,233</u>	<u>1,144,879</u>	<u>28,835,112</u>
Noncurrent assets			
Restricted cash and cash equivalents	5,583,687	-	5,583,687
Restricted investments	4,155,091	-	4,155,091
Bond discounts and insurance	196,063	-	196,063
Capital assets	150,606,158	10,999,208	161,605,366
Less: accumulated depreciation	<u>(58,853,326)</u>	<u>(9,117,572)</u>	<u>(67,970,898)</u>
<i>Total noncurrent assets</i>	<u>101,687,673</u>	<u>1,881,636</u>	<u>103,569,309</u>
<i>Total assets</i>	<u>129,377,906</u>	<u>3,026,515</u>	<u>132,404,421</u>
Deferred outflows of resources			
Deferred outflows - pension	5,346,327	784,850	6,131,177
Deferred outflows - OPEB	165,117	27,275	192,392
<i>Total deferred outflows of resources</i>	<u>5,511,444</u>	<u>812,125</u>	<u>6,323,569</u>
<i>Total assets and deferred outflows of resources</i>	<u><u>\$ 134,889,350</u></u>	<u><u>\$ 3,838,640</u></u>	<u><u>\$ 138,727,990</u></u>

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

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 486,865	\$ 36,274	\$ 523,139
Accrued payroll expenses	396,649	66,035	462,684
Accrued compensated absences	528,145	85,748	613,893
Accrued interest	1,032,730	-	1,032,730
Current portion of loans and bonds payable	3,630,236	-	3,630,236
<i>Total current liabilities</i>	<u>6,074,625</u>	<u>188,057</u>	<u>6,262,682</u>
Noncurrent liabilities			
Accrued compensated absences	34,684	5,375	40,059
Bond premiums	1,958,759	-	1,958,759
Loans and bonds payable	43,952,329	-	43,952,329
Net pension liability	17,200,295	2,558,724	19,759,019
Net OPEB liability	8,466,849	1,398,603	9,865,452
<i>Total noncurrent liabilities</i>	<u>71,612,916</u>	<u>3,962,702</u>	<u>75,575,618</u>
<i>Total liabilities</i>	<u>77,687,541</u>	<u>4,150,759</u>	<u>81,838,300</u>
Deferred inflows of resources			
Deferred inflows - pension	1,542,610	238,030	1,780,640
Deferred inflows - OPEB	1,927,035	318,319	2,245,354
<i>Total deferred inflows of resources</i>	<u>3,469,645</u>	<u>556,349</u>	<u>4,025,994</u>
Net position			
Net investment in capital assets	42,407,571	1,881,636	44,289,207
Restricted for:			
Debt service	9,856,306	-	9,856,306
Capital projects	3,127,770	-	3,127,770
Special revenue projects	15,421,196	-	15,421,196
Unrestricted	(17,080,679)	(2,750,104)	(19,830,783)
<i>Total net position</i>	<u>53,732,164</u>	<u>(868,468)</u>	<u>52,863,696</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 134,889,350</u>	<u>\$ 3,838,640</u>	<u>\$ 138,727,990</u>

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

STATE OF NEW MEXICO
Taos County
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 12,818,235	\$ 1,173,266	\$ 5,435,414	\$ 212,936
Public safety	9,352,103	426,071	1,281,510	-
Public works	2,981,880	152,957	276,103	156,990
Culture and recreation	384,830	-	-	-
Health and welfare	3,287,389	-	628,331	-
Interest and other costs	3,028,068	-	-	-
<i>Total governmental activities</i>	<u>31,852,505</u>	<u>1,752,294</u>	<u>7,621,358</u>	<u>369,926</u>
Business-type Activities:				
Solid waste	1,429,094	991,674	-	8,529
Ambulance	2,121,697	1,351,313	-	-
<i>Total business-type activities</i>	<u>3,550,791</u>	<u>2,342,987</u>	<u>-</u>	<u>8,529</u>
<i>Total</i>	<u>\$ 35,403,296</u>	<u>\$ 4,095,281</u>	<u>\$ 7,621,358</u>	<u>\$ 378,455</u>

General Revenues and transfers:

Taxes:

Gross receipts taxes

Property taxes, levied for general purposes

Gasoline, franchise and motor vehicle

Lodger's tax

Investment income

Miscellaneous revenue

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning

Net position, restatement (note 12)

Net position, as restated

Net position, ending

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (5,996,619)	\$ -	\$ (5,996,619)
(7,644,522)	-	(7,644,522)
(2,395,830)	-	(2,395,830)
(384,830)	-	(384,830)
(2,659,058)	-	(2,659,058)
(3,028,068)	-	(3,028,068)
<u>(22,108,927)</u>	<u>-</u>	<u>(22,108,927)</u>
-	(428,891)	(428,891)
<u>-</u>	<u>(770,384)</u>	<u>(770,384)</u>
-	(1,199,275)	(1,199,275)
<u>(22,108,927)</u>	<u>(1,199,275)</u>	<u>(23,308,202)</u>
12,854,713	271,253	13,125,966
12,007,605	-	12,007,605
479,113	-	479,113
501,371	-	501,371
209,151	-	209,151
272,073	3,646	275,719
(337,138)	337,138	-
<u>25,986,888</u>	<u>612,037</u>	<u>26,598,925</u>
<u>3,877,961</u>	<u>(587,238)</u>	<u>3,290,723</u>
59,911,471	1,380,089	61,291,560
<u>(10,057,268)</u>	<u>(1,661,319)</u>	<u>(11,718,587)</u>
<u>49,854,203</u>	<u>(281,230)</u>	<u>49,572,973</u>
<u>\$ 53,732,164</u>	<u>\$ (868,468)</u>	<u>\$ 52,863,696</u>

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

STATE OF NEW MEXICO

Taos County
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund 101	NMFA Debt Service Fund 313	Taos County Complex Restructuring 420
Assets			
Cash and cash equivalents	\$ 3,083,780	\$ -	\$ -
Investments	3,250,000	2,930,806	11,590
Receivables:			
Property taxes	1,098,907	-	-
Other receivables	222,890	-	-
Inventory	-	-	-
<i>Total assets</i>	<u>\$ 7,655,577</u>	<u>\$ 2,930,806</u>	<u>\$ 11,590</u>
Liabilities, deferred inflows of resources, and fund balances			
<i>Liabilities</i>			
Accounts payable	\$ 151,311	\$ 6,787	\$ -
Accrued payroll expenses	244,235	-	-
<i>Total liabilities</i>	<u>395,546</u>	<u>6,787</u>	<u>-</u>
<i>Deferred inflows of resources</i>			
Unavailable revenue - property taxes	666,773	-	-
<i>Total deferred inflows of resources</i>	<u>666,773</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>			
Spendable:			
Restricted for:			
General county operations	-	-	-
Public safety	-	-	-
Culture and recreation	-	-	-
Educational institutions	-	-	-
Hospitals and welfare	-	-	-
Transportation and roads	-	-	-
Capital improvements	-	-	-
Economic development	-	-	-
Debt service	-	2,924,019	11,590
Committed to:			
Minimum fund balance	2,636,184	-	-
Unassigned	3,957,074	-	-
<i>Total fund balances</i>	<u>6,593,258</u>	<u>2,924,019</u>	<u>11,590</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 7,655,577</u>	<u>\$ 2,930,806</u>	<u>\$ 11,590</u>

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

County Educational Bond Fund 423	2013 Educational Bond Fund 424	Other Governmental Funds	Total
\$ 440,876	\$ 681,799	\$ 21,041,539	\$ 25,247,994
-	-	2,213,303	8,405,699
-	-	-	1,098,907
595,748	-	1,712,793	2,531,431
-	-	144,980	144,980
<u>\$ 1,036,624</u>	<u>\$ 681,799</u>	<u>\$ 25,112,615</u>	<u>\$ 37,429,011</u>
\$ -	\$ -	\$ 328,767	\$ 486,865
-	-	152,414	396,649
-	-	481,181	883,514
-	-	-	666,773
-	-	-	666,773
-	-	3,570,815	3,570,815
-	-	5,626,969	5,626,969
-	-	3,954	3,954
1,036,624	-	3,229,327	4,265,951
-	-	5,421,144	5,421,144
-	-	672,589	672,589
-	-	3,127,770	3,127,770
-	-	334,482	334,482
-	681,799	2,644,384	6,261,792
-	-	-	2,636,184
-	-	-	3,957,075
<u>1,036,624</u>	<u>681,799</u>	<u>24,631,434</u>	<u>35,878,724</u>
<u>\$ 1,036,624</u>	<u>\$ 681,799</u>	<u>\$ 25,112,615</u>	<u>\$ 37,429,011</u>

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

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STATE OF NEW MEXICO
Taos County
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2018

Exhibit B-1
Page 2 of 2

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

Fund balances - total governmental funds	\$ 35,878,724
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	91,752,832
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities	666,773
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in funds:	
Deferred outflows- pension	5,346,327
Deferred outflows- OPEB	165,117
Deferred inflows- pension	(1,542,610)
Deferred inflows- OPEB	(1,927,035)
Certain liabilities, including loans and bonds payable and related components, accrued interest, the Net pension and OPEB liabilities, and current and long-term portions of accrued compensated absences, are not due and payable in the current current period and, therefore, are not reported in the funds:	
Accrued compensated absences	(562,829)
Accrued interest	(1,032,730)
Bond discounts and insurance	196,063
Bond premiums	(1,958,759)
Loans and bonds payable	(47,582,565)
Net pension liability	(17,200,295)
Net OPEB liability	(8,466,849)
<i>Net position of governmental activities</i>	<u>\$ 53,732,164</u>

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

STATE OF NEW MEXICO
Taos County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General Fund 101	NMFA Debt Service Fund 313	Taos County Complex Restructuring 420
<i>Revenues</i>			
Taxes:			
Property	\$ 11,796,461	\$ -	\$ -
Gross receipts taxes	1,254,986	-	1,579,670
Gasoline, franchise, and motor vehicle	-	-	-
Lodger's tax	-	-	-
Intergovernmental:			
Federal operating grants	10,930	-	-
State operating grants	192,000	-	-
State capital grants	-	-	-
Charges for services	49,181	-	-
Licenses and fees	592,094	-	-
Investment income	61,974	41,354	9,940
Miscellaneous	17,826	-	1
<i>Total revenues</i>	<u>13,975,452</u>	<u>41,354</u>	<u>1,589,611</u>
<i>Expenditures</i>			
Current:			
General government	7,989,096	-	-
Public safety	2,555,638	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	-	961,458	-
Debt service:			
Principal	-	-	26,790,000
Interest	-	-	1,123,418
Bond issuance costs	-	104,897	-
<i>Total expenditures</i>	<u>10,544,734</u>	<u>1,066,355</u>	<u>27,913,418</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,430,718</u>	<u>(1,025,001)</u>	<u>(26,323,807)</u>
<i>Other financing sources (uses)</i>			
Loan proceeds	-	22,685,000	-
Loan premium	-	1,949,600	-
Transfers in	702,792	1,441,798	25,793,195
Transfers (out)	(4,813,780)	(25,845,000)	(3,859)
<i>Total other financing sources (uses)</i>	<u>(4,110,988)</u>	<u>231,398</u>	<u>25,789,336</u>
<i>Net change in fund balance</i>	(680,270)	(793,603)	(534,471)
<i>Fund balance - beginning of year</i>	<u>7,273,528</u>	<u>3,717,622</u>	<u>546,061</u>
<i>Fund balance - end of year</i>	<u>\$ 6,593,258</u>	<u>\$ 2,924,019</u>	<u>\$ 11,590</u>

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

County Educational Bond Fund 423	2013 Educational Bond Fund 424	Other Governmental Funds	Total
\$ -	\$ -	\$ 290,868	\$ 12,087,329
3,646,532	-	6,373,525	12,854,713
-	-	479,113	479,113
-	-	501,371	501,371
-	-	3,122,209	3,133,139
-	-	4,296,219	4,488,219
-	-	369,926	369,926
-	-	781,895	831,076
-	-	329,124	921,218
4,971	12,926	77,986	209,151
-	-	254,246	272,073
<u>3,651,503</u>	<u>12,926</u>	<u>16,876,482</u>	<u>36,147,328</u>
-	-	1,995,619	9,984,715
-	-	5,959,908	8,515,546
-	-	1,475,236	1,475,236
-	-	322,580	322,580
-	-	3,249,027	3,249,027
-	-	3,436,514	4,397,972
-	3,375,000	1,216,180	31,381,180
-	325,169	714,192	2,162,779
-	-	-	104,897
<u>-</u>	<u>3,700,169</u>	<u>18,369,256</u>	<u>61,593,932</u>
<u>3,651,503</u>	<u>(3,687,243)</u>	<u>(1,492,774)</u>	<u>(25,446,604)</u>
-	-	-	22,685,000
-	-	-	1,949,600
9,009	3,563,206	8,578,042	40,088,042
(3,578,930)	(9,008)	(6,174,603)	(40,425,180)
<u>(3,569,921)</u>	<u>3,554,198</u>	<u>2,403,439</u>	<u>24,297,462</u>
81,582	(133,045)	910,665	(1,149,142)
<u>955,042</u>	<u>814,844</u>	<u>23,720,769</u>	<u>37,027,866</u>
<u>\$ 1,036,624</u>	<u>\$ 681,799</u>	<u>\$ 24,631,434</u>	<u>\$ 35,878,724</u>

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

STATE OF NEW MEXICO

Taos County

Governmental Funds

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

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$ (1,149,142)
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Governmental funds report capital outlays as expenditures. However, in
the statement of activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense:

Capital outlay additions reported in capital outlay expenditures	4,397,972
Depreciation expense	(3,772,984)

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

Change in deferred inflows related to the property taxes receivable	(79,724)
---	----------

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

County pension contributions	1,045,463
Net pension expense	(2,407,483)
County OPEB contributions	165,117
Net OPEB expense	(336,616)

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

Decrease in accrued compensated absences	29,170
Increase in accrued interest	(671,437)
Amortization of bond discounts, insurance, and premiums	(88,955)

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

Original issue loan premium	(1,949,600)
Loan proceeds	(22,685,000)
Principal payments on loans	<u>31,381,180</u>

<i>Change in net position of governmental activities</i>	<u><u>\$ 3,877,961</u></u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Exhibit C-1

Taos County

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ 11,575,956	\$ 11,636,956	\$ 11,645,672	\$ 8,716
Gross receipts	1,264,004	1,256,139	1,256,139	-
Intergovernmental:				
Federal operating grants	18,500	18,500	12,177	(6,323)
State operating grants	165,153	192,000	192,000	-
Charges for services	45,700	45,700	47,382	1,682
Licenses and fees	472,872	559,518	590,283	30,765
Investment income	34,000	64,000	63,271	(729)
Miscellaneous	26,390	15,795	15,765	(30)
<i>Total revenues</i>	<u>13,602,575</u>	<u>13,788,608</u>	<u>13,822,689</u>	<u>34,081</u>
<i>Expenditures</i>				
Current:				
General government	9,071,226	9,074,521	7,790,349	1,284,172
Public safety	2,574,190	2,606,825	2,485,684	121,141
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>11,645,416</u>	<u>11,681,346</u>	<u>10,276,033</u>	<u>1,405,313</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,957,159</u>	<u>2,107,262</u>	<u>3,546,656</u>	<u>1,439,394</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(229,289)	1,165,236	-	(1,165,236)
Transfers in	1,081,071	2,691,993	702,792	(1,989,201)
Transfers (out)	(2,808,941)	(5,964,491)	(4,813,780)	1,150,711
<i>Total other financing sources (uses)</i>	<u>(1,957,159)</u>	<u>(2,107,262)</u>	<u>(4,110,988)</u>	<u>(2,003,726)</u>
<i>Net change in fund balance</i>	-	-	(564,332)	(564,332)
<i>Fund balance - beginning of year</i>	-	-	6,898,112	6,898,112
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,333,780</u>	<u>\$ 6,333,780</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (564,332)	
Adjustments to revenues for gross receipt taxes, other taxes and federal grants.			152,763	
Adjustments to expenditures for salaries and operating expenses.			(268,701)	
<i>Net change in fund balance (GAAP)</i>			<u>\$ (680,270)</u>	

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

STATE OF NEW MEXICO
Taos County
Statement of Net Position
Proprietary Funds
June 30, 2018

	Solid Waste 202	Ambulance 509	Total
Assets			
<i>Current assets</i>			
Cash and cash equivalents	\$ 281,238	\$ 273,752	\$ 554,990
Customer receivables, net	208,119	326,102	534,221
Taxes receivable	55,668	-	55,668
<i>Total current assets</i>	<u>545,025</u>	<u>599,854</u>	<u>1,144,879</u>
<i>Noncurrent assets</i>			
Capital assets	814,938	10,184,270	10,999,208
Less: accumulated depreciation	<u>(798,301)</u>	<u>(8,319,271)</u>	<u>(9,117,572)</u>
<i>Total noncurrent assets</i>	<u>16,637</u>	<u>1,864,999</u>	<u>1,881,636</u>
<i>Total assets</i>	<u>561,662</u>	<u>2,464,853</u>	<u>3,026,515</u>
Deferred outflows of resources			
Deferred outflows- pension	306,967	477,883	784,850
Deferred outflows- OPEB	9,683	17,592	27,275
<i>Total deferred outflows of resources</i>	<u>316,650</u>	<u>495,475</u>	<u>812,125</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 878,312</u>	<u>\$ 2,960,328</u>	<u>\$ 3,838,640</u>

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

	Solid Waste 202	Ambulance 509	Total
Liabilities			
<i>Current liabilities</i>			
Accounts payable	\$ 32,193	\$ 4,081	\$ 36,274
Accrued payroll	22,305	43,730	66,035
Accrued compensated absences	36,065	49,683	85,748
<i>Total current liabilities</i>	<u>90,563</u>	<u>97,494</u>	<u>188,057</u>
<i>Noncurrent liabilities</i>			
Accrued compensated absences	2,261	3,114	5,375
Net pension liability	1,008,520	1,550,204	2,558,724
Net OPEB liability	496,523	902,080	1,398,603
<i>Total noncurrent liabilities</i>	<u>1,507,304</u>	<u>2,455,398</u>	<u>3,962,702</u>
<i>Total liabilities</i>	<u>1,597,867</u>	<u>2,552,892</u>	<u>4,150,759</u>
Deferred inflows of resources			
Deferred inflows- pension	88,209	149,821	238,030
Deferred inflows- OPEB	113,008	205,311	318,319
<i>Total deferred inflows of resources</i>	<u>201,217</u>	<u>355,132</u>	<u>556,349</u>
Net position			
Investment in capital assets	16,637	1,864,999	1,881,636
Unrestricted	(937,409)	(1,812,695)	(2,750,104)
<i>Total net position</i>	<u>(920,772)</u>	<u>52,304</u>	<u>(868,468)</u>
<i>Total liabilities, deferred inflows, and net position</i>	<u>\$ 878,312</u>	<u>\$ 2,960,328</u>	<u>\$ 3,838,640</u>

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

STATE OF NEW MEXICO
Taos County
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2018

Exhibit D-2

	Solid Waste 202	Ambulance 509	Total
<i>Operating revenues</i>			
Charges for services	\$ 991,674	\$ 1,351,313	\$ 2,342,987
<i>Total operating revenues</i>	991,674	1,351,313	2,342,987
<i>Operating expenses</i>			
Depreciation	91,466	345,613	437,079
Personnel services	834,803	1,570,611	2,405,414
Contractual services	280,499	39,644	320,143
Supplies and purchases	107,672	121,021	228,693
Maintenance and materials	34,252	20,137	54,389
Administration	67,728	-	67,728
Utilities	12,674	24,671	37,345
<i>Total operating expenses</i>	1,429,094	2,121,697	3,550,791
<i>Operating income (loss)</i>	(437,420)	(770,384)	(1,207,804)
<i>Non-operating revenues (expenses)</i>			
Gross receipts taxes	271,253	-	271,253
Intergovernmental grants	8,529	-	8,529
Miscellaneous income	284	3,362	3,646
<i>Total non-operating revenues (expenses)</i>	280,066	3,362	283,428
<i>Income (loss) before contributions and transfers</i>	(157,354)	(767,022)	(924,376)
Transfers in	8,530	337,138	345,668
Transfers (out)	(8,530)	-	(8,530)
<i>Change in net position</i>	(157,354)	(429,884)	(587,238)
<i>Total net position, beginning of year</i>	(173,627)	1,553,716	1,380,089
<i>Total net position, restatement (Note 12)</i>	(589,791)	(1,071,528)	(1,661,319)
<i>Total net position, beginning as restated</i>	(763,418)	482,188	(281,230)
<i>Total net position, end of year</i>	\$ (920,772)	\$ 52,304	\$ (868,468)

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

STATE OF NEW MEXICO
Taos County
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

Exhibit D-3

	Solid Waste 202	Ambulance 509	Total
<i>Cash flows from operating activities:</i>			
Cash received from user charges	\$ 1,060,709	\$ 1,238,752	\$ 2,299,461
Cash payments to employees for services	(754,177)	(1,423,581)	(2,177,758)
Cash payments to suppliers for goods and services	(465,464)	(197,137)	(662,601)
<i>Net cash (used) by operating activities</i>	<u>(158,932)</u>	<u>(381,966)</u>	<u>(540,898)</u>
<i>Cash flows from noncapital financing activities:</i>			
Gross receipts taxes and grants	279,782	-	279,782
Miscellaneous income	284	3,362	3,646
Transfers in (out)	-	337,138	337,138
<i>Net cash provided by noncapital financing activities</i>	<u>280,066</u>	<u>340,500</u>	<u>620,566</u>
<i>Cash flows from capital and related financing activities:</i>			
Acquisition of capital assets	(36,025)	-	(36,025)
<i>Net cash (used) by capital and related financing activities</i>	<u>(36,025)</u>	<u>-</u>	<u>(36,025)</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	85,109	(41,466)	43,643
<i>Cash and cash equivalents - beginning of year</i>	<u>196,129</u>	<u>315,218</u>	<u>511,347</u>
<i>Cash and cash equivalents - end of year</i>	<u><u>\$ 281,238</u></u>	<u><u>\$ 273,752</u></u>	<u><u>\$ 554,990</u></u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>			
Operating income (loss)	\$ (437,420)	\$ (770,384)	\$ (1,207,804)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	91,466	345,613	437,079
Net pension expense	85,917	156,047	241,964
Changes in assets and liabilities:			
Receivables	69,035	(112,561)	(43,526)
Prepaid expenses	9,475	8,000	17,475
Accounts payable	27,886	336	28,222
Accrued payroll expenses	(1,447)	59	(1,388)
Accrued compensated absences	(3,844)	(9,076)	(12,920)
<i>Net cash (used) by operating activities</i>	<u><u>\$ (158,932)</u></u>	<u><u>\$ (381,966)</u></u>	<u><u>\$ (540,898)</u></u>

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

STATE OF NEW MEXICO
Taos County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2018

Exhibit E-1

Assets

Cash and cash equivalents	\$ 755,171
Property tax receivable	3,762,433
Gross receipts tax receivable	<u>159,912</u>

<i>Total assets</i>	<u><u>\$ 4,677,516</u></u>
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Liabilities

Due to other entities	<u>\$ 4,677,516</u>
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<i>Total liabilities</i>	<u><u>\$ 4,677,516</u></u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies

Taos County (the County) is a political subdivision of the State of New Mexico established in 1876 under the provisions of Section 4-29-1 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.

During the year ended June 30, 2018, The County adopted GASB Statements No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions, No. 81, Irrevocable Split-Interest Agreements, No. 85, Omnibus 2017, No. 86, Certain Debt Extinguishment Issues, are required to be implemented for the fiscal year ending June 30, 2018.

The pronouncement adopted that materially affects the financial statements and disclosures of The County for the year ended June 30, 2018 is GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions. The requirements of this Statement improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. A disclosure for GASB Statement No. 77 was not necessary for the year ended June 30, 2018.

The more significant of the County's accounting policies are described below.

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

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

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

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the County does not have any component units required to be reported under GASB Statements No. 61, and is not a component unit of another governmental agency.

Government-Wide and Fund Financial Statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position and the statement of activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place, regardless of the timing of the related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Neither fiduciary funds nor component units that are fiduciary in nature are included in the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

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

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

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

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

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The County has presented the following major governmental funds:

The *General Fund* is the general operating fund of the County and accounts for all revenues and expenditures of the County not encompassed within other funds.

The *NMFA Debt Service Funds* is to account for the accumulation of resources and payments on the County's New Mexico Finance Authority (NMFA) Debt Service.

The *Taos County Complex Restructuring Debt Service Fund* is to account for the new loan that was designed to restructure the old outstanding NMFA debt service fund.

The *County Educational Bond Debt Service Fund* is to account for the debt service for the educational bond.

The *2013 Educational Bond Debt Service Fund* is to account for the debt service for the 2013 educational bond.

The County also reports the following major proprietary funds:

The *Solid Waste Fund* is to account for the provision of garbage and refuse removal services to the residents of Taos County. All activities necessary to provide such services are accounted for in this fund.

The *Ambulance Fund* is to account for the collection of ambulance fees and expenses of rendering ambulance services.

Additionally, the County reports the following agency funds:

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

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

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

State statutes authorize the County to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's 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. At June 30, 2018, the County maintained no funds in the Local Government Investment Pool.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property tax receivables are recognized when levied net of estimated refunds and uncollectible amounts, if applicable. Based upon management's estimates, all receivables, reported in governmental activities, are deemed fully collectible. Management estimates that \$5.5 million of \$5.9 million of gross customer receivables, reported in business activities, are uncollectible as of June 30, 2018.

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 November 10th and April 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: Taos County values inventory at lower of cost or market value. The method that the County uses is the 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. 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.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

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. No interest was included as part of the cost of capital assets under construction. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives.

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

<u>Asset Type</u>	<u>Years</u>
Building and improvements	40-55
Infrastructure	30
Vehicles	5 – 10
Leasehold improvements	15 – 20
Equipment and machinery	5 – 10

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 Revenues: There are two types of unearned revenue. Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for unearned revenue. The other type of unearned revenue is “unavailable revenue.” Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for unearned revenue.

Deferred Outflows/Inflows of Resources. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a recognized consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Also, in addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The county reports deferred outflows for the deferred amount on bond refunding. The County has items related to the pension and OPEB plans which are discussed at Notes 10 and 11. These amounts are deferred and recognized as an inflow of resources in that period that the amounts become available.

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 (P.E.R.A) and additions to/deductions from P.E.R.A’s fiduciary net position have been determined on the same basis as they are reported by P.E.R.A, 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.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Compensated Absences: Qualified employees are entitled to earn annual leave according to a graduated leave schedule depending on length of service. No more than two hundred forty (240) hours of annual leave may be carried over from one calendar year to the next. All excess annual leave shall be forfeited, if not used, unless extenuating circumstances warrant approval of an extension by the Board of County Commissioners of Taos County.

Qualified employees are entitled to earn sick leave. Sick leave can be carried over from year to year up to 1200 hours. Upon termination, employees receive no pay for sick time accumulated. Employees eligible for retirement who have more than six hundred (600) hours of sick leave upon retirement from the County shall be paid for each hour in excess of six hundred (600) hours at the rate of half (1/2) their hourly rate of pay at the time of retirement.

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

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. For bonds issued after GASB Statement No. 34 was implemented, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. For fund financial reporting, bond premiums, discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source, net of the applicable premium or discount.

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

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

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

When expenditures occur for purposes for which amounts in any of the spendable fund balance classification could be used, it is the County's policy to use committed amounts first, followed by assigned amounts and then unassigned amounts.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

Nonspendable Fund Balance: Amounts not in a spendable form, such as prepaid expenses, inventories, or long-term portion of receivables or property held for resale, if the use of the proceeds from the collection/sale of property held for resale is not otherwise constrained. Nonspendable amounts also include amounts legally or contractually required to remain intact, such as the principal of a permanent fund.

Restricted: Amounts constrained to specific purposes that are externally imposed or imposed by law through constitutional provisions or enabling legislation (such as taxpayers, grantors, bondholders, and higher levels of government).

Committed Fund Balance: Amounts constrained to specific purposes by the governmental entity's highest level of decision-making authority (the County Commission). To be reported as committed, amounts cannot be used for any other purpose unless the County Commission takes the same highest level action to remove or change the constraint.

Assigned: Amounts constrained by the County intends to be used for a specific purpose. Intent can be expressed by the governing body (County Commission) or an official or body to which the governing body delegates authority.

Fund Balance for Subsequent Years Expenditures: According to New Mexico State Statute and the New Mexico Department of Finance and Administration, (DFA), Taos County is required to reserve 3/12ths of the General Fund's budgeted expenditures for subsequent year expenditures to maintain an adequate cash flow until the next significant property tax collection. The DFA also requires that 1/12th of the Road Fund budgeted expenditures be reserved. The County has incorporated this reserve requirement within its financial policies approved by the County Commission. These balances are reported as assigned to subsequent year's expenditures in the General Fund and the Road Fund. The County is in compliance with these DFA requirements.

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

- a. *Net investment in capital assets:* Net position invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position:* Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for "special revenue, debt service, and capital projects" is described on pages 40 and 84 through 87.
- c. *Unrestricted net position:* All other net position items that do not meet the definition of "restricted" or "net investment in capital assets."

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from 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.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for Taos County include management's estimate of the allowance for uncollectible accounts for property taxes, depreciation on assets over their estimated useful lives and accrued compensated absences.

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

NOTE 2. Stewardship, Compliance, and Accountability

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

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual revenues, expenditures and other financing sources and uses on a budgetary basis.

	Excess (deficiency) of revenues over expenditures Operating income (loss)	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ 1,957,159	\$ 2,107,262

Since accounting principles applied for purposes of developing revenues and expenditures on the budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the net change in fund balances is presented for the year ended June 30, 2018. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on the individual comparison statements.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 3. Deposits and Investments

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

The rate of interest in nondemand 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.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County does not have a policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978). New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for at least one half of the amount on deposit with the institution. At June 30, 2018, \$21,152,589 of the County's deposits were exposed to custodial credit risk; this uninsured amount was collateralized by collateral held by the pledging bank's department or agent, not in the County's name. As of June 30, 2018, none of the County's deposits were uninsured and uncollateralized.

	<u>US Bank</u>	<u>Centinel Bank</u>	<u>Hillcrest Bank</u>	<u>Total</u>
Amount of deposits	\$ 21,402,589	\$ 180,344	\$ 196,356	\$ 21,779,289
FDIC Coverage	<u>(250,000)</u>	<u>(180,344)</u>	<u>(196,356)</u>	<u>(626,700)</u>
Total uninsured public funds	<u>21,152,589</u>	<u>-</u>	<u>-</u>	<u>21,152,589</u>
Collateralized by securities held by pledging institution or by its trust department or agent in other than the County's name	<u>21,152,589</u>	<u>-</u>	<u>-</u>	<u>21,152,589</u>
Uninsured and uncollateralized	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Collateral requirement (50% of uninsured funds)	\$ 10,576,295	\$ -	\$ -	\$ 10,576,295
Pledged Collateral	<u>25,000,000</u>	<u>-</u>	<u>-</u>	<u>25,000,000</u>
Over (Under) collateralized	<u><u>\$ 14,423,705</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,423,705</u></u>

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 3. Deposits and Investments (continued)

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

Investments

The County has investments held in U.S. Treasury Money Market Mutual Funds, as well as U.S. Fixed Income Securities as of June 30, 2018. Also, the County has investments which are managed by NMFA, on deposit with the State Treasurer's office, in NMFA's name for the benefit of the County.

As of June 30, 2018, the County had the following investments and maturities:

Investment Type	Weighted Average Maturities	Fair Value	Rating**
Moreton Capital Markets - CDs	>1 year	\$ 1,500,000	Not Rated
Moreton Capital Markets - CDs	<1 years	3,500,057	Not Rated
U.S. Government Securities	>1 year	8,668,338	Aaa
		<u>\$ 13,668,395</u>	

**Based of Standard & Poor's rating

The County has presented money market accounts of \$5,000,057 as investments in the Statement of Net Position. As of June 30, 2018, the County also had \$8,668,338 in U.S. Governmental Securities. The County has funds which are managed by NMFA which are considered restricted cash and cash equivalents totaling \$5,262,696.

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

Concentration of Credit Risk—Investments. For an investment, concentration of credit risk is when any one issuer is 5% or more of the investment portfolio of the County. Since the County only purchases investments with the highest credit rating, the concentration is not viewed to be an additional risk by the County.

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

Fair Value Measurement

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 3. Deposits and Investments (continued)

- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted prices that are observable for the asset or liability.
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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

The following table sets forth by level within the fair value hierarchy, the County's assets at fair value as of June 30, 2018:

<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
\$ 13,668,395	\$ 13,668,395	\$ -	\$ -

Reconciliation to the Statement of Net Position

Cash and cash equivalents per Exhibit A-1	\$ 20,219,297
Restricted cash and cash equivalents per Exhibit A-1	5,583,687
Investments per Exhibit A-1	8,405,699
Cash - Statement of Fiduciary Assets and Liabilities per Exhibit E-1	<u>755,171</u>
Total cash, investments, and cash equivalents	<u>34,963,854</u>
Add: outstanding checks and other reconciling items	485,855
Less: NMFA Restricted Investments	(3,405,642)
Less: Bank of Albuquerque Trust Investments	(5,262,696)
Less: Moreton CDs Investments	(5,000,057)
Less: Petty cash	<u>(2,025)</u>
Bank balance of deposits	<u><u>\$ 21,779,289</u></u>

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 4. Receivables

Governmental Activities receivables as of June 30, 2018 are comprised of the following:

	General	County Educational Bond Fund	Other Governmental Funds	Total
Taxes receivable:				
Gross receipts taxes	\$ 204,995	\$ 595,718	\$ 934,572	\$ 1,735,285
Property taxes	1,098,907	-	-	1,098,907
Lodgers taxes	-	-	49,511	49,511
Oil and gas taxes	-	-	17,832	17,832
MVD taxes	-	-	39,890	39,890
Total taxes receivable	<u>1,303,902</u>	<u>595,718</u>	<u>1,041,805</u>	<u>2,941,425</u>
Due from other governments:				
State sources	-	-	659,704	659,704
Federal grants	-	-	11,284	11,284
Charges and other receivables	<u>17,895</u>	<u>30</u>	<u>-</u>	<u>17,925</u>
Total due from other governments	<u>17,895</u>	<u>30</u>	<u>670,988</u>	<u>688,913</u>
Accounts receivable, net	<u><u>\$ 1,321,797</u></u>	<u><u>\$ 595,748</u></u>	<u><u>\$ 1,712,793</u></u>	<u><u>\$ 3,630,338</u></u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$666,773 that were not collected within the period of availability have been reclassified as unearned revenue in the governmental fund financial statements as of June 30, 2018.

Business-type activity receivables as of June 30, 2018 are comprised of the following:

	Solid Waste	Amubulance	Total
Customer receivable	\$ 1,256,204	\$ 5,099,286	\$ 6,355,490
Less: allowance for uncollectable accounts	(1,048,085)	(4,773,184)	(5,821,269)
Taxes receivable	<u>55,668</u>	<u>-</u>	<u>55,668</u>
Accounts receivable, net	<u><u>\$ 263,787</u></u>	<u><u>\$ 326,102</u></u>	<u><u>\$ 589,889</u></u>

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 5. InterFund Receivables, Payables, and Transfers

Net operating transfers, made to supplement other funding sources, and capital asset transfers were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<i>Governmental Activities:</i>		
General Fund	\$ 702,792	\$ 4,813,780
Non-Major Funds	8,578,042	6,174,603
NMFA Debt Service	1,441,798	25,845,000
County Educational Bond	9,009	3,578,930
2013 ED Bond Fund	3,563,206	9,008
Loan Proceeds PPRF-4699	25,793,195	3,859
Subtotal	<u>40,088,042</u>	<u>40,425,180</u>
<i>Business Type Activities:</i>		
Solid Waste	8,530	8,530
Ambulance	337,138	-
Subtotal	<u>345,668</u>	<u>8,530</u>
Grand Total	<u><u>\$ 40,433,710</u></u>	<u><u>\$ 40,433,710</u></u>

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 6. Capital Assets

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

Governmental Activities:	Balance June 30, 2017	Additions	Deletions and Adjustments	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 7,059,883	\$ -	\$ -	\$ 7,059,883
Right of way	18,750,380	-	-	18,750,380
Construction in progress	1,092,199	168,352	(867,251)	393,300
Total not being depreciated	26,902,462	168,352	(867,251)	26,203,563
Capital assets being depreciated:				
Buildings and improvements	57,293,188	1,854,346	-	59,147,534
Equipment and machinery	7,726,900	199,929	-	7,926,829
Vehicles	12,198,620	1,468,686	-	13,667,306
Leasehold improvements	197,391	-	5,764	203,155
Infrastructure	41,889,625	1,577,718	(9,572)	43,457,771
Total being depreciated	119,305,724	5,100,679	(3,808)	124,402,595
Total capital assets	146,208,186	5,269,031	(871,059)	150,606,158
Accumulated depreciation:				
Buildings and improvements	11,255,679	1,499,374	2,386	12,757,439
Equipment and machinery	4,219,241	533,009	(401)	4,751,849
Vehicles	9,362,377	692,624	4,742	10,059,743
Leasehold improvements	85,154	4,464	57	89,675
Infrastructure	30,157,891	1,038,404	(1,675)	31,194,620
Total accumulated depreciation	55,080,342	3,767,875	5,109	58,853,326
Capital assets, net	\$ 91,127,844	\$ 1,501,156	\$ (876,168)	\$ 91,752,832

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

General government	\$ 1,631,282
Public safety	622,990
Public works	1,453,177
Culture and recreation	60,426
Total	<u>\$ 3,767,875</u>

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 6. Capital Assets (continued)

Business-type Activities:

	Balance June 30, 2017	Additions	Adjustments	Balance June 30, 2018
Capital assets being depreciated:				
Buildings and improvements	\$ 9,875,919	\$ -	\$ -	\$ 9,875,919
Equipment and machinery	238,689	8,529	-	247,218
Vehicles	848,575	27,496	-	876,071
Total being depreciated	<u>10,963,183</u>	<u>36,025</u>	<u>-</u>	<u>10,999,208</u>
 Total capital assets	 <u>10,963,183</u>	 <u>36,025</u>	 <u>-</u>	 <u>10,999,208</u>
Accumulated depreciation:				
Buildings and improvements	7,614,813	246,892	(2,386)	7,859,319
Equipment and machinery	613,382	31,918	(393)	644,907
Vehicles	452,298	165,710	(4,662)	613,346
Total accumulated depreciation	<u>8,680,493</u>	<u>444,520</u>	<u>(7,441)</u>	<u>9,117,572</u>
 Capital assets, net	 <u><u>\$ 2,282,690</u></u>	 <u><u>\$ (408,495)</u></u>	 <u><u>\$ 7,441</u></u>	 <u><u>\$ 1,881,636</u></u>

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

Solid Waste	\$ 91,466
Ambulance	<u>345,613</u>
Total	<u><u>\$ 437,079</u></u>

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 7. Long-Term Debt

Governmental Activities

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

Governmental Activities:	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Due Within One Year
USDA Series 2010 Revenue Bond	\$13,770,437	\$ -	\$ 200,000	\$13,570,437	\$ 210,000
Series 2013 Education GRT Bonds	9,790,000	-	3,375,000	6,415,000	2,180,000
NMFA 38 Latir FD	14,013	-	4,671	9,342	4,671
NMFA 2572-PP Refunding	26,790,000	-	26,790,000	-	-
NMFA 43 Tanker Truck	53,835	-	26,917	26,918	26,918
NMFA 45 Tanker Truck	129,289	-	17,954	111,335	18,141
NMFA 46 Solid Waste	184,597	-	60,142	124,455	61,441
NMFA 50 Lodgers Tax Series 2015	1,375,712	-	58,851	1,316,861	59,475
NMFA 51 Fire Excise Tax Loan	3,120,261	-	126,898	2,993,363	127,989
Perovich GRT	574,146	-	574,146	-	-
NMFA 4699-PP Restructure	-	22,685,000	-	22,685,000	795,000
Capital leases	476,455	-	146,601	329,854	146,601
Compensated absences	591,999	498,975	528,145	562,829	528,145
Total	\$56,870,744	\$23,183,975	\$31,909,325	\$48,145,394	\$ 4,158,381

Gross Receipts Revenue Bonds

Bonds outstanding at June 30, 2018, consisted of the following bonds:

	Series 2010 USDA Revenue Bonds	Series 2013 Education GRT Bonds
Original issue	\$ 15,000,000	\$ 22,000,000
Maturity date	5/4/2050	4/1/2023
Principal	May 5	April 1
Interest rate	4.125%	2-4%
Interest due	May 5	April 1 & October 1

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 7. Long-Term Debt (continued)

The annual requirements to amortize the governmental activity bonds as of June 30, 2018, including interest payments are as follows:

Fiscal Year Ending June 30, 2018	Principal	Interest	Total Debt Service
2019	\$ 2,390,000	\$ 596,475	\$ 2,986,475
2020	2,475,000	586,834	3,061,834
2021	2,210,000	583,275	2,793,275
2022	240,000	543,375	783,375
2023	250,000	531,300	781,300
2024-2028	1,400,000	2,452,600	3,852,600
2029-2033	1,720,000	2,138,500	3,858,500
2034-2038	2,110,000	1,753,800	3,863,800
2039-2043	2,590,000	1,280,100	3,870,100
2044-2048	3,160,000	700,600	3,860,600
2049-2053	1,440,437	90,500	1,530,937
Total	<u>\$ 19,985,437</u>	<u>\$ 11,257,359</u>	<u>\$ 31,242,796</u>

In prior years, the County issued bonds where the County pledges income from the receipt of lodger's and sales tax revenue. Lodger's and sales tax bonds have been issued for the construction of an agricultural building and the Taos judicial complex. Also, in the current year, the County pledged income from the receipt of sales tax revenues. The current year bond is being used to be disbursed to the School Districts around Taos County.

Notes Payable

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. The annual requirements to amortize the NMFA Loans as of June 30, 2018, including interest payments, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 1,093,635	\$ 1,091,826	\$ 2,185,461
2020	1,110,674	1,048,876	2,159,550
2021	1,090,959	1,003,028	2,093,987
2022	1,139,136	955,849	2,094,985
2023	1,187,814	905,922	2,093,736
2024-2028	6,714,405	3,680,776	10,395,181
2029-2033	8,274,595	2,100,288	10,374,883
2034-2038	6,656,056	670,938	7,326,994
Totals	<u>\$ 27,267,274</u>	<u>\$ 11,457,503</u>	<u>\$ 38,724,777</u>

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 7. Long-Term Debt (continued)

Capital Leases

The County leases vehicles and other equipment under various capital leases. The economic substance of the leases is that the County is financing the acquisition of the assets through the leases and, accordingly, they are recorded as County assets and liabilities. The obligations under capital leases have been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at interest rates as stated in the individual contracts. The annual requirement to amortize the capital leases as of June 30, 2018, including interest payments, is as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 146,601	\$ -	\$ 146,601
2020	146,601	-	146,601
2021	36,650	-	36,650
Totals	<u>\$ 329,852</u>	<u>\$ -</u>	<u>\$ 329,852</u>

During the year ended June 30, 2018, the following changes occurred in the liabilities reported in the business-type activities:

Business-type Activities:	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Due Within One Year
Compensated Absences	\$ 104,043	\$ 72,828	\$ 85,748	\$ 91,123	\$ 85,748
Total	<u>\$ 104,043</u>	<u>\$ 72,828</u>	<u>\$ 85,748</u>	<u>\$ 91,123</u>	<u>\$ 85,748</u>

Compensated Absences – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2018, compensated absences for governmental activities decreased \$29,170 from the prior year accrual. For business-type activities compensated absences decreased by \$12,920.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 8. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters. Taos County is a member and is insured through the New Mexico County Insurance Authority. The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage.

The Authority acts as the common carrier for the State of New Mexico counties. The County pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The County is not liable for more than the premiums paid.

NOTE 9. Other Required Individual Fund Disclosures

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

- A. Deficit fund balance of individual funds. There were no funds with a deficit fund balance for the year ended June 30, 2018.
- B. Excess of expenditures over appropriations. There were no funds expenditures were in excess of the budgeted appropriations for the year ended June 30, 2018.
- C. Designated cash appropriations in excess of available balances. There were no funds with designated cash appropriation in excess of available balances for the year ended June 30, 2018.

NOTE 10. Pension Plan – Public Employee Retirement Association of NM

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 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.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 10. Pension Plan – Public Employee Retirement Association of NM (continued)

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 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.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 10. Pension Plan – Public Employee Retirement Association of NM (continued)

Contributions – See PERA’s compressive annual financial report for Contribution provided description.

PERA Contribution Rates and Pension Factors as of July 1, 2016						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per Year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
State Plan 3	7.42 %	8.92 %	16.99 %	3.0 %	2.5 %	90 %
Municipal Plan 1 (plan open to new employers)	7.0 %	8.5 %	7.4 %	2.0 %	2.0 %	90 %
Municipal Plan 2 (plan open to new employers)	9.15 %	10.65 %	9.55 %	2.5 %	2.0 %	90 %
Municipal Plan 3 (plan closed to new employers 6/95)	13.15 %	14.65 %	9.55 %	3.0 %	2.5 %	90 %
Municipal Plan 4 (plan closed to new employers 6/00)	15.65 %	17.15 %	12.05 %	3.0 %	2.5 %	90 %
Municipal Police Plan 1	7.0%	8.5%	10.40%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	8.5%	15.40%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	8.5%	18.90%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	18.90%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	17.8%	18.90%	3.5%	3.0%	90%
Municipal Fire Plan 1	8.0%	9.5%	11.40%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	17.90%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	9.5%	21.65%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	14.3%	21.65%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	17.7%	21.65%	3.5%	3.0%	90%
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.0%	3.0%	90%
State Police and Adult Correctional Officer Plan 1	7.60%	9.10%	25.50%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	16.99%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.12%	3.0%	3.0%	90%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions –

PERA Fund Division Municipal General: At June 30, 2018, the County reported a liability of \$17,420,644 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.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 10. Pension Plan – Public Employee Retirement Association of NM (continued)

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 1.2678, which was an increase of 0.0917 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$2,540,572. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 803,350	\$ 180,019
Changes in proportion	1,333,008	129,769
Difference between expected and actual experience	684,514	892,234
Net difference between projected and actual earnings on pension plan investments	1,429,259	-
County's contributions subsequent to the measurement date	<u>834,335</u>	<u>-</u>
Total	<u>\$ 5,084,466</u>	<u>\$ 1,202,022</u>

\$834.335 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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pensions expense as follows:

Year ended June 30:

2018	\$ 926,703
2019	2,045,158
2020	493,940
2021	(417,692)
Thereafter	<u>-</u>
Total	<u>\$ 3,048,109</u>

PERA Fund Division Municipal Police: At June 30, 2018, the County reported a liability of \$2,338,375 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 0.4209, which was an increase of 0.0509 percent from its proportion measured as of June 30, 2016.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 10. Pension Plan – Public Employee Retirement Association of NM (continued)

For the year ended June 30, 2018, the County recognized pension expense of \$303,703. At June 30, 2018, The County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 139,125	\$ 54,375
Changes in proportion	189,952	87,341
Difference between expected and actual experience	142,022	436,902
Net difference between projected and actual earnings on pension plan investments	188,324	-
County's contributions subsequent to the measurement date	<u>387,288</u>	<u>-</u>
Total	<u><u>\$ 1,046,711</u></u>	<u><u>\$ 578,618</u></u>

\$387,288 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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pensions expense as follows:

Year ended June 30:

2018	\$ 7,242
2019	143,513
2020	(14,888)
2021	(55,062)
Thereafter	<u>-</u>
Total	<u><u>\$ 80,805</u></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:

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 10. Pension Plan – Public Employee Retirement Association of NM (continued)

PERA FUND

PERA	
Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage 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 3.254% annual rate
Projected salary increases	2.75% to 14.00% annual rate
Includes inflation at	2.25% annual rate first 9 years
	2.75% all other years
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. These assumptions were adopted by the Board use in the June 30, 2016 actuarial valuation.

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	43.50%	7.39%
Risk Reduction & Mitigation	21.5	1.79
Credit Oriented Fixed Income	15.0	5.77
Real Assets	<u>20.00</u>	7.35
Total	100.00%	

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 10. Pension Plan – Public Employee Retirement Association of NM (continued)

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 County'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:

PERA Fund Municipal General Division		Current	
	1% Decrease	Discount Rate	1% Increase
	(6.51%)	(7.51%)	(8.51%)
County's proportionate share of the net pension liability	\$ 27,303,903	\$ 17,420,644	\$ 9,201,340
PERA Fund Municipal Police Division		Current	
	1% Decrease	Discount Rate	1% Increase
	(6.48%)	(7.48%)	(8.48%)
County's proportionate share of the net pension liability	\$ 3,729,060	\$ 2,338,375	\$ 1,197,112

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued PERA'S financial reports.

Payables to the pension plan. At June 30, 2018, the County had payables to the plan in the amount of \$48,609.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

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

General Information about the OPEB

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.

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	<u>97,349</u>
	<u>160,035</u>
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	<u>48,756</u>
	<u>97,349</u>

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 \$288,545 for the year ended June 30, 2018.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

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

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 \$9,865,452 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 0.21770 percent.

For the year ended June 30, 2018, the School recognized OPEB expense of \$392,219. At June 30, 2018 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ 378,584
Net difference between expected and actual investments on OPEB plan investments	-	141,921
Change of assumptions	-	1,724,849
County's contributions subsequent to the measurement	<u>192,392</u>	<u>-</u>
Total	<u>\$ 192,392</u>	<u>\$ 2,245,354</u>

Deferred outflows of resources totaling \$192,392 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:

2019	\$ (477,378)
2020	(477,378)
2021	(477,378)
2022	(477,378)
2023	(335,842)

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

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

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

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; 2.25% for PERA
Projected payroll 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 inflation and subtracting expected investment expenses and a risk margin. 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:

Asset Class	Long-Term Rate of Return
U.S. core fixed income	4.1%
U.S. equity - large cap	9.1
Non U.S. - emerging markets	12.2
Non U.S. - developed equities	9.8
Private equity	13.8
Credit and structured finance	7.3
Real estate	6.9
Absolute return	6.1
U.S. equity - small/mid cap	9.1

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

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

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

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:

	1% Decrease (2.81%)	Current Discount Rate (3.81%)	1% Increase (4.81%)
County's proportionate share of the net OPEB liability	<u>\$ 11,966,640</u>	<u>\$ 9,865,452</u>	<u>\$ 8,216,882</u>

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:

	1% Decrease	Trend Rate Sensitivity Analysis Rate	1% Increase
County's proportionate share of the net OPEB liability	<u>\$ 8,391,246</u>	<u>\$ 9,865,452</u>	<u>\$ 11,014,968</u>

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 had no outstanding amount of contributions to the OPEB plan and therefore, had no payables reported at fiscal year 2018.

NOTE 12. Prior-Period Adjustments

The County has a prior period adjustment of (\$11,718,587) which was required for implementation of GASB Statement No. 75. The adjustment reflects a beginning net OPEB liability of (\$11,905,501) and a beginning of deferred outflow of resources- employer contributions subsequent to the measurement date of \$186,914.

NOTE 13. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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 amount, if any, to be immaterial.

The County is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

STATE OF NEW MEXICO
Taos County
Notes to Financial Statements
June 30, 2018

NOTE 14. Joint Powers Agreements and Memorandums of Understanding

JPA Participants:	Taos County, Town of Taos, Village of Questa, Taos Pueblo, and Taos Ski Valley
Responsible Party:	Each participant
Description:	Consolidated Emergency Comm.
Period:	Fiscal year 2016 – infinity
Project Costs:	Unknown
County Contributions:	Unknown
Audit Responsibility:	Each participant
Fiscal Agent:	Taos County
MOU Participants:	Taos County and Village of Questa
Responsible Party:	Each participant
Description:	Ambulance service Taos County by Village of Questa
Period:	July 1, 2017 – June 30, 2018
County Contribution:	\$100,000
Audit Responsibility:	Each participant

NOTE 15. Commitments

Taos County has committed funding for the following building projects being constructed in 2019 FY: New Senior Center - Clerks Storage Building, ADA Restroom Facility for Felimon Sanchez Park, Rio Fernando Fire Station Metal Building, Juan I. Gonzales Agriculture Building Improvements and a recently awarded CDBG grant for Historic County Courthouse ADA Building Improvements. All projects noted above have sufficient funding sources with completion date anticipated within fiscal year, with the exception of the CDBG project which will be completed prior to the close of 2020FY.

NOTE 16. Subsequent Events

The date to which events occurring after June 30, 2018, the date of the most recent statement of net position, have been evaluated for possible adjustment of the financial statements or disclosures is November 22, 2018, 2018, which is the date on which the financial statements were issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	2018 Measurement Date (As of and for the year ended <u>June 30, 2017</u>)	2017 Measurement Date (As of and for the year ended <u>June 30, 2016</u>)
Taos County's proportion of the net pension liability	1.2678%	1.1761%
Taos County's proportionate share of the net pension liability	\$ 17,420,644	\$ 18,790,000
Taos County's covered payroll	\$ 7,942,000	\$ 7,487,000
Taos County's proportionate share of the net pension liability as a percentage of its covered payroll	219.35%	250.97%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	69.18%

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

2016 Measurement Date (As of and for the year ended June 30, 2015)	2015 Measurement Date (As of and for the year ended June 30, 2014)
1.0725%	1.1136%
\$ 10,935,000	\$ 8,687,000
\$ 6,634,000	\$ 6,634,000
164.83%	130.95%
76.99%	81.29%

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

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

	2018 Measurement Date (As of and for the year ended <u>June 30, 2017</u>)	2017 Measurement Date (As of and for the year ended <u>June 30, 2016</u>)
Taos County's proportion of the net pension liability	0.4209%	0.3700%
Taos County's proportionate share of the net pension liability	\$ 2,338,375	\$ 2,750,000
Taos County's covered-employee payroll	\$ 834,000	\$ 741,000
Taos County's proportionate share of the net pension liability as a percentage of its covered payroll	280.38%	371.12%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	69.18%

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

2016		2015	
Measurement		Measurement	
Date (As of and		Date (As of and	
for the year		for the year	
ended		ended	
June 30, 2015)		June 30, 2014)	
0.4000%		0.4200%	
\$	1,919,000	\$	1,358,000
\$	783,000	\$	783,000
245.08%		173.44%	
76.99%		81.29%	

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

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

	As of and for the year ended June 30, 2018	As of and for the year ended June 30, 2017
Contractually required contribution	\$ 831,085	\$ 1,023,000
Contributions in relation to the contractually required contribution	<u>(831,085)</u>	<u>(1,023,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Taos County's covered payroll	\$ 6,869,968	\$ 7,942,000
Contributions as a percentage of covered-employee payroll	12.10%	12.88%

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

As of and for the year ended June 30, 2016	As of and for the year ended June 30, 2015
\$ 848,000	\$ 827,000
<u>(848,000)</u>	<u>(827,000)</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
\$ 7,487,000	\$ 6,634,000
11.33%	12.47%

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

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

	As of and for the year ended June 30, 2018	As of and for the year ended June 30, 2017
Contractually required contribution	\$ 387,288	\$ 158,000
Contributions in relation to the contractually required contribution	<u>(387,288)</u>	<u>(158,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Taos County's covered payroll	\$ 2,176,961	\$ 834,000
Contributions as a percentage of covered payroll	17.79%	18.94%

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

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

As of and for the year ended June 30, 2016	As of and for the year ended June 30, 2015
\$ 148,000	\$ 148,000
<u>(148,000)</u>	<u>(148,000)</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
\$ 741,000	\$ 783,000
19.97%	18.90%

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

STATE OF NEW MEXICO
Taos County
Notes to Required Supplementary Information
For the Year Ended June 30, 2018

PERA

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

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

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STATE OF NEW MEXICO
Taos County
Schedule of Proportionate Share of the Net OPEB Liability
Retiree Health Care OPEB Plan
Last 10 Fiscal Years*

Schedule B-1

	2018 Measurement Date (As of and for the Year Ended June 30, 2017)
Taos County's proportion of the net OPEB liability (asset)	0.21770%
Taos County's proportionate share of the net OPEB liability (asset)	\$ 9,865,452
Taos County's covered payroll	9,068,614
Taos County's proportionate share of the net OPEB liability as a percentage of its covered payroll	109%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%

* Governmental Accounting Standards Board Statement No. 75 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 Taos County's is not available prior to fiscal year 2018, the year the statement's requirements became effective.

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

STATE OF NEW MEXICO
Taos County
Schedule of Contributions
Retiree Health Care OPEB Plan
Last 10 Fiscal Years*

Schedule B-2

	As of and for the Year Ended June 30, 2018
Contractually required contribution	\$ 192,392
Contributions in relation to the contractually required contribution	<u>192,392</u>
Contribution deficiency (excess)	<u>\$ -</u>
Taos County's covered payroll	9,073,929
Contribution as a percentage of covered payroll	2.12%

* Governmental Accounting Standards Board Statement No. 75 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 Taos County's is not available prior to fiscal year 2018, the year the statement's requirements became effective.

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

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SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
Taos County
Nonmajor Fund Descriptions
June 30, 2018

Special Revenue Funds

CO-GRT Infrastructure 3/4 Fund—To account for the revenues and expenditures of fees collected through the Domestic Violence Program Fund.

Corrections Fund—To account for revenues received from the state to be used for municipal jailer training, construction planning, construction, operation and maintenance of a municipal jail, for paying the cost of housing of inmates or for complying with federal match contributions (Section 35-14-11 NMSA, 1978).

Property Valuation Funds—To account for revenue receipts resulting from a one percent (1%) property tax to be used pursuant to a property valuation program by the County assessor and approved by a majority of the County Commission (Section 7-38-38.1 NMSA, 1978).

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).

Emergency Medical Services Ambulance Fund—To account for funds from intergovernmental sources and fees to provide ambulance services to Taos County residences (Section 24-10A-1 NMSA, 1978).

E-911 Fund—To account for revenues and expenditures of the County related to the E-911 program. (Sections 63-9D-1, NMSA 1978).

Farm and Range Fund—To account for revenues received to be expended by counties for: 1) soil and water conservation; 2) the control of rodents and predatory animals and the extermination of poisonous and noxious weeds; 3) the construction of dipping vats, spraying machines and other structures to control parasites on livestock; 4) the repair and maintenance of said vats; 5) and for machines and structures and the construction and maintenance of secondary roads (Section 6-11-6 NMSA, 1978).

Fire Protection Fund—Fire Districts (Fire Marshal) Fund and Fire Districts Discretion Fund - To account for revenues derived from fees on property and motor vehicle insurance businesses which are deposited into the insurance department suspense fund and then transferred into the Fire Protection Fund by the state treasurer. These funds are subsequently distributed by the State Fire Marshal to County Fire Districts, including the purchase, construction, maintenance, repair and operation of fire stations and substations, fire apparatus and equipment, the payment of insurance premiums on fire stations and substations, insurance premiums for injuries or death of fire fighters and certain training (Section 59A-53-1 to 59A-53-17 NMSA, 1978).

Law Enforcement Protection Fund—To account for revenues received by the State of New Mexico to provide for: 1) the repair and purchase of law enforcement apparatus and equipment; 2) expenses associated with advances in law enforcement planning and training; 3) complying with match or contribution requirements of federal funds for criminal justice programs; 4) no more than (50%) of the replacement salaries of County law enforcement personnel while attending training as specified in item #2 (Section 29-13-3 NMSA, 1978).

Lodger's Tax Promotional Fund—To account for revenues derived from the imposition of a gross receipts tax on lodging within that part of the County outside of the incorporated limits of a municipality. Proceeds may be used to defray costs of: 1) collecting and administering the tax; 2) establishing and operating, constructing, purchasing, otherwise acquiring, reconstructing, extending, bettering or otherwise improving fairgrounds, exposition buildings, field houses, auditoriums, performing arts facilities, convention halls, or other convention facilities of the County; 3) acquiring equipment furnishings for facilities specified in item #2; 4) acquiring suitable site grounds or other real property for facilities specified in item #2; 5) payment of principal and interest of outstanding revenue bonds issued prior to July 1, 1977; 6) advertising, publicizing and promoting facilities of the municipality of the County and tourist facilities within the area (Section 3-38-15 NMSA, 1978).

STATE OF NEW MEXICO
Taos County
Nonmajor Fund Descriptions
June 30, 2018

Special Revenue Funds

Lodger's Tax Non-Promotional Fund—To account for revenues derived from one-third of the Lodger's Tax Fund that is held in a savings account and utilized in accordance with state statutes and local ordinances.

Parks and Recreation Fund—To account for revenues and expenditures from state distribution of a one-cent cigarette tax. Expenditure is limited to operating recreational facilities, including salaries of instructors and other employees (Section 7-12.15 NMSA, 1978).

Senior Citizen Fund—To account for revenues and expenditures that are related to the NMAAA grant to provide services for congregate and home delivered meals, transportation, homemaker services, and In-home respite. Authority for this fund is established by an Ordinance of the County Commission. (Senior Citizen Fund).

Indigent Health Fund—To account for revenues derived from a county imposed local receipts tax for the purpose of providing ambulance transportation and hospital care for indigent persons residing with Taos County (Section 7.20E-9 NMSA, 1978).

County Hospital Fund—is to account for the mill levy funds received to aid in necessary infrastructure upgrades and maintenance on the Holy Cross Hospital.

Fire Rescue Excise Tax Fund—To account for revenues derived from a county imposed local gross receipts tax of ¼ cent for operational expenses, ambulance services or capital outlay costs of fire districts and ambulance services provided by the County (Section 7-20E.15 NMSA, 1978).

Clerk's Recording Fees Fund—To account for an additional \$4.00 recording fee to be utilized for purchase of equipment associated with recording, filing, maintaining or reproducing documents in the County Clerk's Office (Section 14-8.12.2 NMSA, 1978).

Adult Detention Fund—To account for the revenues and expenditures related to the operation of the Taos County Adult Detention Center.

Taos County Grant Match Fund—To account for funds received for the Taos County Project. Authority for this fund is established by an Ordinance of the County Commission.

Daniel's Fund—To help increase the number of homebound seniors receiving meals.

DWI Distribution Fund—To account for revenues received from a state grant for new, innovative or model programs, services or activities to prevent or reduce incidence of DWI, alcoholism and alcohol abuse (Section 11.6A-3 NMSA, 1978).

DWI Grant Fund—To account for revenues received from a state grant for new, innovative or model programs, services or activities to prevent or reduce incidence of DWI, alcoholism and alcohol abuse (Section 11.6A-3 NMSA, 1978).

DWI Intake Supervision Fund—To account for intake fees received by the County from DWI incidences. Authority for this fund is established by an Ordinance of the County Commission.

DWI Domestic Violence Fund—To account for the revenues and expenditures of fees collected through the Domestic Violence Program Fund. Authority for this fund is established by an Ordinance of the County Commission.

Juvenile Adjudication GRT Fund—To account for revenues and expenditures of the GRT for Juvenile Adjudication (Section 2.110.5 NMSA, 1978).

STATE OF NEW MEXICO
Taos County
Nonmajor Fund Descriptions
June 30, 2018

Special Revenue Funds

DWI Screening Fund—To account for funds to support the screening of DWI offenders. The mandatory screening process generates data on DWI offenders for a state-wide database.

DWI Donations Fund—To account for funds donated to the County received to support the DWI programs.

100 Days/Nights Fund—To account for revenues and expenditures the County received and used to conduct checkpoints and saturation patrols during a 100-day period from June through September.

Foster Grand Parent Program Fund—To account for funds for the foster grandparent program. (45 CFR 2552.93).

Forest Reserve Title III Fund—To account for federal funds passed through the U.S. Forest Service for maintenance of forest roads in Taos County. Funding provided by United States Public Law 106-393.

Fire Districts Discretionary Fund—To account for nonrestricted revenues and expenditures of the Fire Districts. Authority for this fund is established by an Ordinance of the County Commission.

Healy Foundation Fund—To account for the funds received by Taos County for the printing and framing of historic archive photos.

2014 FEMA Mitigation Fund—To account for revenues received to help communities implement hazard mitigation measures following a Presidential major disaster declaration. Hazard mitigation is any action taken to reduce or eliminate long-term risk to people and property from natural hazards. Mitigation planning is a key process used to breaking the cycle of disaster damage, reconstruction, and repeated damage. The HMPG is authorized under Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

Intergovernmental Fund—To account for the revenues and expenditures for various grant activity, legislative appropriations, and construction projects.

Capital Projects Funds

Capital Enhancement Fund—To account for revenue and expenditures related to the Capital Enhancement Project.

Taos County Complex Bid Lots Fund—This capital projects fund is used to account for the debt service of a loan from the NMFA to finance the construction project of the Taos County Admin/Judicial/Detention Complex.

Debt Service Funds

Educational Bond Capital Project Fund—is to account for the Bond/Capital Outlay bond proceeds which will be distributed to County school Districts.

Rural Utility Bond Fund—To account for the accumulated of resources and payment on the County's United States Department of Agriculture (USDA) Rural Development Debt Service.

USDA/RUS Complex Fund—To account for the accumulation of resources and payments on the County's USDA/RUS Loan used in complex construction.

NMFA Taos 38 Fund—To account for the debt service payments for funds to assist the Latir Fire Department.

STATE OF NEW MEXICO
Taos County
Nonmajor Fund Descriptions
June 30, 2018

Debt Service Funds

USDA Loan Reserve Fund—To account for the bond reserves required by the USDA loan agreement.

USDA Loan Proceeds Fund—To account for the loan proceeds of the USDA loan agreement.

USDA B of A Debt Service Fund—To account for funds used to pay principal and interest on the USDA loan agreement.

2013 Educational Bond Admin Fund—To account for loan proceeds of the Taos County Educational Gross Receipts Tax Improvement Revenue Bond DFA Resolution 8 FY 14.

2013 Educational Bond Redemption Fund—To account for the excess revenue from annual bond redemption of the Taos County Educational Gross Receipts Tax Improvement Revenue Bond.

Taos 38 and 46 Loan Proceeds Fund—To account for loan proceeds for the purchase of Solid Waste vehicles DFA Resolution 38 FY14.

NM Taos 50 Lodgers Tax Fund—To account for loan proceeds for the renovation of the Agricultural Center and the County Courthouse DFA Resolution 50 FY14.

NM Taos 51 Debt Service Fund—To account for payments of debt service and interest from gross receipts tax for assistance with fire funds within Taos County.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018

Special Revenue

	CO-GRT Infrastructure 3/4 103	Corrections Fees 201	Property Valuation 203	Road 204
<i>Assets</i>				
Cash and cash equivalents	\$ 993,703	\$ -	\$ 876,986	\$ 441,664
Investments	-	-	-	-
Receivables:				
Other receivables	353,927	-	-	76,348
Inventory	-	-	-	144,980
<i>Total assets</i>	<u>\$ 1,347,630</u>	<u>\$ -</u>	<u>\$ 876,986</u>	<u>\$ 662,992</u>
<i>Liabilities</i>				
Accounts payable	\$ 35,244	\$ -	\$ 1,427	\$ 10,637
Accrued payroll expenses	-	-	914	25,934
<i>Total liabilities</i>	<u>35,244</u>	<u>-</u>	<u>2,341</u>	<u>36,571</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	1,312,386	-	874,645	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Educational institutions	-	-	-	-
Hospitals and welfare	-	-	-	-
Transportation and roads	-	-	-	626,421
Capital improvements	-	-	-	-
Economic development	-	-	-	-
Debt service	-	-	-	-
<i>Total fund balances</i>	<u>1,312,386</u>	<u>-</u>	<u>874,645</u>	<u>626,421</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,347,630</u>	<u>\$ -</u>	<u>\$ 876,986</u>	<u>\$ 662,992</u>

See independent auditors' report.

Special Revenue

EMS 206	E-911 207	Farm and Range 208	Fire Protection 209	Law Enforcement Protection 211
\$ 40,424	\$ 725,311	\$ 15,553	\$ 2,369,392	\$ -
-	-	-	551	-
-	218,148	-	-	-
-	-	-	-	-
<u>\$ 40,424</u>	<u>\$ 943,459</u>	<u>\$ 15,553</u>	<u>\$ 2,369,943</u>	<u>\$ -</u>
\$ 321	\$ 8,042	\$ -	\$ 7,266	\$ -
-	25,185	-	-	-
<u>321</u>	<u>33,227</u>	<u>-</u>	<u>7,266</u>	<u>-</u>
-	-	15,553	-	-
40,103	910,232	-	2,362,677	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>40,103</u>	<u>910,232</u>	<u>15,553</u>	<u>2,362,677</u>	<u>-</u>
<u>\$ 40,424</u>	<u>\$ 943,459</u>	<u>\$ 15,553</u>	<u>\$ 2,369,943</u>	<u>\$ -</u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018

Special Revenue

	Lodger's Tax Promotional 214	Lodger's Tax Non- Promotional 215	Parks and Recreation 217	Senior Citizen 219
<i>Assets</i>				
Cash and cash equivalents	\$ 133,927	\$ 139,950	\$ 5,248	\$ 183,353
Investments	-	-	-	-
Receivables:				
Other receivables	19,819	29,692	-	78,222
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 153,746</u>	<u>\$ 169,642</u>	<u>\$ 5,248</u>	<u>\$ 261,575</u>
<i>Liabilities</i>				
Accounts payable	\$ 5,554	\$ 5,536	\$ -	\$ 6,931
Accrued payroll expenses	-	-	1,307	15,218
<i>Total liabilities</i>	<u>5,554</u>	<u>5,536</u>	<u>1,307</u>	<u>22,149</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	3,941	-
Educational institutions	-	-	-	-
Hospitals and welfare	-	-	-	239,426
Transportation and roads	-	-	-	-
Capital improvements	-	-	-	-
Economic development	148,192	164,106	-	-
Debt service	-	-	-	-
<i>Total fund balances</i>	<u>148,192</u>	<u>164,106</u>	<u>3,941</u>	<u>239,426</u>
<i>Total liabilities and fund balances</i>	<u>\$ 153,746</u>	<u>\$ 169,642</u>	<u>\$ 5,248</u>	<u>\$ 261,575</u>

See independent auditors' report.

Special Revenue

Indigent Health 220	County Hospital 221	Fire-Rescue Excise Tax 222	Clerk's Recording Fees 225	Adult Detention 226
\$ 1,688,591	\$ 2,288,505	\$ 1,316,167	\$ 278,102	\$ 724,566
1,000,057	-	-	-	-
149,064	29,826	76,937	25	168,368
-	-	-	-	-
<u>\$ 2,837,712</u>	<u>\$ 2,318,331</u>	<u>\$ 1,393,104</u>	<u>\$ 278,127</u>	<u>\$ 892,934</u>
\$ 19,489	\$ -	\$ 119	\$ 618	\$ 59,582
3,964	-	-	-	70,144
23,453	-	119	618	129,726
-	-	-	277,509	-
-	-	1,392,985	-	763,208
-	-	-	-	-
-	-	-	-	-
2,814,259	2,318,331	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,814,259</u>	<u>2,318,331</u>	<u>1,392,985</u>	<u>277,509</u>	<u>763,208</u>
<u>\$ 2,837,712</u>	<u>\$ 2,318,331</u>	<u>\$ 1,393,104</u>	<u>\$ 278,127</u>	<u>\$ 892,934</u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018

Special Revenue

	Taos County Grant Match 398	Daniels Fund 1219	DWI Distribution 1223	DWI Grant 1224
<i>Assets</i>				
Cash and cash equivalents	\$ 22,184	\$ -	\$ 88,218	\$ 2,125
Investments	-	-	-	-
Receivables:				
Other receivables	-	-	-	12,520
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 22,184</u>	<u>\$ -</u>	<u>\$ 88,218</u>	<u>\$ 14,645</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 541
Accrued payroll expenses	-	-	7,328	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>7,328</u>	<u>541</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	-
Public safety	-	-	80,890	14,104
Culture and recreation	-	-	-	-
Educational institutions	-	-	-	-
Hospitals and welfare	-	-	-	-
Transportation and roads	-	-	-	-
Capital improvements	-	-	-	-
Economic development	22,184	-	-	-
Debt service	-	-	-	-
<i>Total fund balances</i>	<u>22,184</u>	<u>-</u>	<u>80,890</u>	<u>14,104</u>
<i>Total liabilities and fund balances</i>	<u>\$ 22,184</u>	<u>\$ -</u>	<u>\$ 88,218</u>	<u>\$ 14,645</u>

See independent auditors' report.

Special Revenue

DWI Intake 1227	DWI Domestic Violence 1228	Juvenile Adjudication GRT 1229	DWI Screening 1230	DWI Donations 1231
\$ 45,901	\$ -	\$ 1,251	\$ 10,989	\$ 541
-	-	-	-	-
-	-	4,967	-	-
-	-	-	-	-
<u>\$ 45,901</u>	<u>\$ -</u>	<u>\$ 6,218</u>	<u>\$ 10,989</u>	<u>\$ 541</u>
\$ 76	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
<u>76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	6,218	-	-
45,825	-	-	10,989	541
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>45,825</u>	<u>-</u>	<u>6,218</u>	<u>10,989</u>	<u>541</u>
<u>\$ 45,901</u>	<u>\$ -</u>	<u>\$ 6,218</u>	<u>\$ 10,989</u>	<u>\$ 541</u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018

Special Revenue

	100 Days/Nights 1236	Foster Grandparent 2219	Title III Forest Reserve 2228	Healy Foundation 2436
<i>Assets</i>				
Cash and cash equivalents	\$ 4,561	\$ 34,567	\$ 46,327	\$ 13
Investments	-	-	-	-
Receivables:				
Other receivables	854	17,089	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 5,415</u>	<u>\$ 51,656</u>	<u>\$ 46,327</u>	<u>\$ 13</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 267	\$ -	\$ -
Accrued payroll expenses	-	2,261	159	-
<i>Total liabilities</i>	<u>-</u>	<u>2,528</u>	<u>159</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	-
Public safety	5,415	-	-	-
Culture and recreation	-	-	-	13
Educational institutions	-	-	-	-
Hospitals and welfare	-	49,128	-	-
Transportation and roads	-	-	46,168	-
Capital improvements	-	-	-	-
Economic development	-	-	-	-
Debt service	-	-	-	-
<i>Total fund balances</i>	<u>5,415</u>	<u>49,128</u>	<u>46,168</u>	<u>13</u>
<i>Total liabilities and fund balances</i>	<u>\$ 5,415</u>	<u>\$ 51,656</u>	<u>\$ 46,327</u>	<u>\$ 13</u>

See independent auditors' report.

<u>Special Revenue</u>		<u>Capital Projects</u>		<u>Debt Service</u>
<u>2014 FEMA Mitigation 2440</u>	<u>Inter- governmental</u>	<u>Capital Enhancement 399</u>	<u>Taos County Complex Bid Lots 3401</u>	<u>Educational Bond Fund 312</u>
\$ 3,126	\$ 969,490	\$ 2,722,311	\$ 407,481	\$ 3,229,327
-	-	-	-	-
-	276,983	-	-	-
-	-	-	-	-
<u>\$ 3,126</u>	<u>\$ 1,246,473</u>	<u>\$ 2,722,311</u>	<u>\$ 407,481</u>	<u>\$ 3,229,327</u>
\$ -	\$ 165,095	\$ 2,022	\$ -	\$ -
-	-	-	-	-
-	165,095	2,022	-	-
3,126	1,081,378	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	3,229,327
-	-	-	-	-
-	-	2,720,289	407,481	-
-	-	-	-	-
-	-	-	-	-
<u>3,126</u>	<u>1,081,378</u>	<u>2,720,289</u>	<u>407,481</u>	<u>3,229,327</u>
<u>\$ 3,126</u>	<u>\$ 1,246,473</u>	<u>\$ 2,722,311</u>	<u>\$ 407,481</u>	<u>\$ 3,229,327</u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018

Debt Service

	Rural Utility Bond 402	Debt Service Reserve 403	USDA/RUS Complex 411	NMFA Loan Taos 38 413
<i>Assets</i>				
Cash and cash equivalents	\$ 946	\$ -	\$ 312,335	\$ -
Investments	-	389,747	750,000	42
Receivables:				
Other receivables	-	-	154,008	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 946</u>	<u>\$ 389,747</u>	<u>\$ 1,216,343</u>	<u>\$ 42</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll expenses	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Educational institutions	-	-	-	-
Hospitals and welfare	-	-	-	-
Transportation and roads	-	-	-	-
Capital improvements	-	-	-	-
Economic development	-	-	-	-
Debt service	946	389,747	1,216,343	42
<i>Total fund balances</i>	<u>946</u>	<u>389,747</u>	<u>1,216,343</u>	<u>42</u>
<i>Total liabilities and fund balances</i>	<u>\$ 946</u>	<u>\$ 389,747</u>	<u>\$ 1,216,343</u>	<u>\$ 42</u>

See independent auditors' report.

Debt Service

USDA Loan Reserve 414	USDA Loan Proceeds 417	USDA B of A 419	2013 Ed. Bond Admin. 426	2013 Ed. Bond Redemption 427
\$ 773,038	\$ 33,589	\$ 108,033	\$ -	\$ 3,744
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 773,038</u>	<u>\$ 33,589</u>	<u>\$ 108,033</u>	<u>\$ -</u>	<u>\$ 3,744</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
773,038	33,589	108,033	-	3,744
<u>773,038</u>	<u>33,589</u>	<u>108,033</u>	<u>-</u>	<u>3,744</u>
<u>\$ 773,038</u>	<u>\$ 33,589</u>	<u>\$ 108,033</u>	<u>\$ -</u>	<u>\$ 3,744</u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018

	Debt Service	
	Taos 46 Loan Proceeds 428	NMFA Taos 50 Lodger's Tax 430
<i>Assets</i>		
Cash and cash equivalents	\$ -	\$ -
Investments	14,687	15,929
Receivables:		
Other receivables	10,585	-
Inventory	-	-
<i>Total assets</i>	<u>\$ 25,272</u>	<u>\$ 15,929</u>
<i>Liabilities</i>		
Accounts payable	\$ -	\$ -
Accrued payroll expenses	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>
<i>Fund balances</i>		
Spendable		
Restricted for:		
General county operations	-	-
Public safety	-	-
Culture and recreation	-	-
Educational institutions	-	-
Hospitals and welfare	-	-
Transportation and roads	-	-
Capital improvements	-	-
Economic development	-	-
Debt service	25,272	15,929
<i>Total fund balances</i>	<u>25,272</u>	<u>15,929</u>
<i>Total liabilities and fund balances</i>	<u>\$ 25,272</u>	<u>\$ 15,929</u>

See independent auditors' report.

<u>Debt Service</u>	
NMFA Taos 51 Debt Service 431	Total Nonmajor Governmental Funds
\$ -	\$ 21,041,539
42,290	2,213,303
35,411	1,712,793
-	144,980
<u>\$ 77,701</u>	<u>\$ 25,112,615</u>
\$ -	\$ 328,767
-	152,414
-	481,181
-	3,570,815
-	5,626,969
-	3,954
-	3,229,327
-	5,421,144
-	672,589
-	3,127,770
-	334,482
<u>77,701</u>	<u>2,644,384</u>
<u>77,701</u>	<u>24,631,434</u>
<u>\$ 77,701</u>	<u>\$ 25,112,615</u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2018

	Special Revenue			
	CO-GRT Infrastructure 3/4 103	Corrections Fees 201	Property Valuation 203	Road 204
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ 290,868	\$ -
Gross receipts	1,030,167	-	-	114,032
Gasoline and motor vehicle	-	-	-	479,113
Lodger's tax	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	237,058
State operating grants	-	-	-	-
State capital grants	182,815	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	62,636	550	155,012
Investment income	-	-	-	-
Miscellaneous	-	-	517	164
<i>Total revenues</i>	<u>1,212,982</u>	<u>62,636</u>	<u>291,935</u>	<u>985,379</u>
<i>Expenditures</i>				
Current:				
General government	209,375	-	137,377	-
Public safety	-	-	-	-
Public works	-	-	-	1,449,362
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	120,576	-	84,050	109,857
Debt service:				
Principal	574,146	-	-	146,601
Interest	24,669	-	-	-
<i>Total expenditures</i>	<u>928,766</u>	<u>-</u>	<u>221,427</u>	<u>1,705,820</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>284,216</u>	<u>62,636</u>	<u>70,508</u>	<u>(720,441)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	650,000
Transfers (out)	(150,000)	(81,221)	-	-
<i>Total other financing sources (uses)</i>	<u>(150,000)</u>	<u>(81,221)</u>	<u>-</u>	<u>650,000</u>
<i>Net change in fund balances</i>	134,216	(18,585)	70,508	(70,441)
<i>Fund balances - beginning of year</i>	<u>1,178,170</u>	<u>18,585</u>	<u>804,137</u>	<u>696,862</u>
<i>Fund balances - end of year</i>	<u>\$ 1,312,386</u>	<u>\$ -</u>	<u>\$ 874,645</u>	<u>\$ 626,421</u>

See independent auditors' report.

Special Revenue				
EMS 206	E-911 207	Farm and Range 208	Fire Protection 209	Law Enforcement Protection 211
\$ -	\$ -	\$ -	\$ -	\$ -
-	1,320,969	-	45,667	-
-	-	-	-	-
-	-	-	-	-
-	-	1,523	-	-
80,699	4,657	-	857,741	42,000
-	-	-	-	-
-	60,000	-	-	-
-	-	-	-	-
-	-	-	192	-
-	20	-	432	-
<u>80,699</u>	<u>1,385,646</u>	<u>1,523</u>	<u>904,032</u>	<u>42,000</u>
-	-	598	-	-
58,052	826,260	-	997,237	42,004
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	44,871	-
-	-	-	796	-
<u>58,052</u>	<u>826,260</u>	<u>598</u>	<u>1,042,904</u>	<u>42,004</u>
<u>22,647</u>	<u>559,386</u>	<u>925</u>	<u>(138,872)</u>	<u>(4)</u>
-	60,000	-	-	-
-	-	-	-	-
<u>-</u>	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
22,647	619,386	925	(138,872)	(4)
<u>17,456</u>	<u>290,846</u>	<u>14,628</u>	<u>2,501,549</u>	<u>4</u>
<u>\$ 40,103</u>	<u>\$ 910,232</u>	<u>\$ 15,553</u>	<u>\$ 2,362,677</u>	<u>\$ -</u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2018

	Special Revenue			
	Lodger's Tax Promotional 214	Lodger's Tax Non- Promotional 215	Parks and Recreation 217	Senior Citizen 219
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodger's tax	171,470	240,707	-	-
Intergovernmental:				
Federal operating grants	-	-	-	189,093
State operating grants	-	-	-	473,232
State capital grants	-	-	-	-
Charges for services	-	8,128	2,844	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	54,437
<i>Total revenues</i>	<u>171,470</u>	<u>248,835</u>	<u>2,844</u>	<u>716,762</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	108,957	81,231	51,850	-
Health and welfare	-	-	-	778,986
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>108,957</u>	<u>81,231</u>	<u>51,850</u>	<u>778,986</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>62,513</u>	<u>167,604</u>	<u>(49,006)</u>	<u>(62,224)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	50,000	84,730
Transfers (out)	-	(139,194)	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(139,194)</u>	<u>50,000</u>	<u>84,730</u>
<i>Net change in fund balances</i>	62,513	28,410	994	22,506
<i>Fund balances - beginning of year</i>	<u>85,679</u>	<u>135,696</u>	<u>2,947</u>	<u>216,920</u>
<i>Fund balances - end of year</i>	<u>\$ 148,192</u>	<u>\$ 164,106</u>	<u>\$ 3,941</u>	<u>\$ 239,426</u>

See independent auditors' report.

Special Revenue

Indigent Health 220	County Hospital 221	Fire-Rescue Excise Tax 222	Clerk's Recording Fees 225	Adult Detention 226
\$ -	\$ -	\$ -	\$ -	\$ -
912,572	-	368,155	-	470,755
-	-	-	-	-
-	-	-	-	-
473,111	-	-	-	18,733
-	1,389,843	-	-	-
-	-	-	-	-
-	-	-	-	295,490
-	-	-	51,258	20,918
7,378	-	-	-	-
-	-	41	50	1,676
<u>1,393,061</u>	<u>1,389,843</u>	<u>368,196</u>	<u>51,308</u>	<u>807,572</u>
-	-	-	43,803	-
-	-	408,208	-	3,348,327
-	-	-	-	-
-	-	-	-	-
1,532,363	396,648	-	-	-
-	-	-	23,860	-
-	-	-	-	-
-	-	-	-	-
<u>1,532,363</u>	<u>396,648</u>	<u>408,208</u>	<u>67,663</u>	<u>3,348,327</u>
<u>(139,302)</u>	<u>993,195</u>	<u>(40,012)</u>	<u>(16,355)</u>	<u>(2,540,755)</u>
-	-	-	-	2,631,221
-	-	(197,138)	-	-
-	-	(197,138)	-	2,631,221
(139,302)	993,195	(237,150)	(16,355)	90,466
<u>2,953,561</u>	<u>1,325,136</u>	<u>1,630,135</u>	<u>293,864</u>	<u>672,742</u>
<u>\$ 2,814,259</u>	<u>\$ 2,318,331</u>	<u>\$ 1,392,985</u>	<u>\$ 277,509</u>	<u>\$ 763,208</u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2018

	Special Revenue			
	Taos County Grant Match 398	Daniels Fund 1219	DWI Distribution 1223	DWI Grant 1224
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodger's tax	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	238,198	15,788
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	238,198	15,788
<i>Expenditures</i>				
Current:				
General government	42,693	-	-	-
Public safety	-	-	218,359	16,647
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	35,703	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	42,693	35,703	218,359	16,647
<i>Excess (deficiency) of revenues over expenditures</i>	(42,693)	(35,703)	19,839	(859)
<i>Other financing sources (uses)</i>				
Transfers in	-	-	15,000	8,900
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	15,000	8,900
<i>Net change in fund balances</i>	(42,693)	(35,703)	34,839	8,041
<i>Fund balances - beginning of year</i>	64,877	35,703	46,051	6,063
<i>Fund balances - end of year</i>	\$ 22,184	\$ -	\$ 80,890	\$ 14,104

See independent auditors' report.

Special Revenue

DWI Intake 1227	DWI Domestic Violence 1228	Juvenile Adjudication GRT 1229	DWI Screening 1230	DWI Donations 1231
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	8,407	-	-
-	-	-	-	-
-	-	-	-	-
30,420	-	-	8,330	-
-	-	-	-	-
114	-	-	436	10
<u>30,534</u>	<u>-</u>	<u>8,407</u>	<u>8,766</u>	<u>10</u>
-	-	-	-	-
13,355	221	9,198	11,188	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>13,355</u>	<u>221</u>	<u>9,198</u>	<u>11,188</u>	<u>-</u>
17,179	(221)	(791)	(2,422)	10
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
17,179	(221)	(791)	(2,422)	10
28,646	221	7,009	13,411	531
<u>\$ 45,825</u>	<u>\$ -</u>	<u>\$ 6,218</u>	<u>\$ 10,989</u>	<u>\$ 541</u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2018

	Special Revenue			
	100 Days/Nights 1236	Foster Grandparent 2219	Title III Forest Reserve 2228	Healy Foundation 2436
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodger's tax	-	-	-	-
Intergovernmental:				
Federal operating grants	-	59,116	39,045	-
State operating grants	9,014	198,063	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	395	-	-	-
<i>Total revenues</i>	<u>9,409</u>	<u>257,179</u>	<u>39,045</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	10,050	-	-	408
Public works	-	-	25,874	-
Culture and recreation	-	-	-	-
Health and welfare	-	257,968	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,050</u>	<u>257,968</u>	<u>25,874</u>	<u>408</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(641)</u>	<u>(789)</u>	<u>13,171</u>	<u>(408)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	10,000	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(641)</u>	<u>9,211</u>	<u>13,171</u>	<u>(408)</u>
<i>Fund balances - beginning of year</i>	<u>6,056</u>	<u>39,917</u>	<u>32,997</u>	<u>421</u>
<i>Fund balances - end of year</i>	<u>\$ 5,415</u>	<u>\$ 49,128</u>	<u>\$ 46,168</u>	<u>\$ 13</u>

See independent auditors' report.

<u>Special Revenue</u>		<u>Capital Projects</u>		<u>Debt Service</u>
<u>2014 FEMA Mitigation 2440</u>	<u>Inter- governmental</u>	<u>Capital Enhancement 399</u>	<u>Taos County Complex Bid Lots 3401</u>	<u>Educational Bond Fund 312</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(5,063)	56,572	2,053,021	-	-
-	978,577	-	-	-
-	187,111	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	101	31,721
-	2,400	34,077	-	-
<u>(5,063)</u>	<u>1,224,660</u>	<u>2,087,098</u>	<u>101</u>	<u>31,721</u>
-	547	439,288	-	63,736
394	-	-	-	-
-	-	-	-	-
-	80,542	-	-	-
-	247,359	-	-	-
-	1,124,574	1,809,071	157,145	7,381
-	-	-	-	-
-	-	-	-	-
<u>394</u>	<u>1,453,022</u>	<u>2,248,359</u>	<u>157,145</u>	<u>71,117</u>
<u>(5,457)</u>	<u>(228,362)</u>	<u>(161,261)</u>	<u>(157,044)</u>	<u>(39,396)</u>
-	1,132,550	1,622,994	-	-
-	(604,029)	(993,726)	-	-
-	528,521	629,268	-	-
(5,457)	300,159	468,007	(157,044)	(39,396)
<u>8,583</u>	<u>781,219</u>	<u>2,252,282</u>	<u>564,525</u>	<u>3,268,723</u>
<u>\$ 3,126</u>	<u>\$ 1,081,378</u>	<u>\$ 2,720,289</u>	<u>\$ 407,481</u>	<u>\$ 3,229,327</u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2018

	Debt Service			
	Rural Utility Bond 402	Debt Service Reserve 403	USDA/RUS Complex 411	NMFA Loan Taos 38 413
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	87	-	917,516	4,671
Gasoline and motor vehicle	-	-	-	-
Lodger's tax	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	415,433	-
Licenses and fees	-	-	-	-
Investment income	-	21,282	3,718	19
Miscellaneous	-	-	35,598	-
<i>Total revenues</i>	<u>87</u>	<u>21,282</u>	<u>1,372,265</u>	<u>4,690</u>
<i>Expenditures</i>				
Current:				
General government	-	-	913,410	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	4,671
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>913,410</u>	<u>4,671</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>87</u>	<u>21,282</u>	<u>458,855</u>	<u>19</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers (out)	-	(1,392,693)	(415,432)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(1,392,693)</u>	<u>(415,432)</u>	<u>-</u>
<i>Net change in fund balances</i>	87	(1,371,411)	43,423	19
<i>Fund balances - beginning of year</i>	<u>859</u>	<u>1,761,158</u>	<u>1,172,920</u>	<u>23</u>
<i>Fund balances - end of year</i>	<u>\$ 946</u>	<u>\$ 389,747</u>	<u>\$ 1,216,343</u>	<u>\$ 42</u>

See independent auditors' report.

Debt Service				
USDA Loan Reserve 414	USDA Loan Proceeds 417	USDA B of A 419	2013 Ed. Bond Admin. 426	2013 Ed. Bond Redemption 427
\$ -	\$ -	\$ -	\$ -	\$ -
-	913,410	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,807	1,092	3,199	-	2,000
-	-	123,879	-	-
<u>5,807</u>	<u>914,502</u>	<u>127,078</u>	<u>-</u>	<u>2,000</u>
-	35,598	-	20,000	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	200,000	-	-
-	-	568,012	-	-
<u>-</u>	<u>35,598</u>	<u>768,012</u>	<u>20,000</u>	<u>-</u>
5,807	878,904	(640,934)	(20,000)	2,000
238,569	3,768	698,833	20,000	1,255,724
-	(937,402)	(3,768)	-	(1,260,000)
<u>238,569</u>	<u>(933,634)</u>	<u>695,065</u>	<u>20,000</u>	<u>(4,276)</u>
244,376	(54,730)	54,131	-	(2,276)
<u>528,662</u>	<u>88,319</u>	<u>53,902</u>	<u>-</u>	<u>6,020</u>
<u>\$ 773,038</u>	<u>\$ 33,589</u>	<u>\$ 108,033</u>	<u>\$ -</u>	<u>\$ 3,744</u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2018

	Debt Service	
	Taos 46 Loan Proceeds 428	NMFA Taos 50 Lodger's Tax 430
<i>Revenues</i>		
Taxes:		
Property	\$ -	\$ -
Gross receipts	63,057	-
Gasoline and motor vehicle	-	-
Lodger's tax	-	89,194
Intergovernmental:		
Federal operating grants	-	-
State operating grants	-	-
State capital grants	-	-
Charges for services	-	-
Licenses and fees	-	-
Investment income	407	33
Miscellaneous	-	-
<i>Total revenues</i>	<u>63,464</u>	<u>89,227</u>
<i>Expenditures</i>		
Current:		
General government	-	89,194
Public safety	-	-
Public works	-	-
Culture and recreation	-	-
Health and welfare	-	-
Capital outlay	-	-
Debt service:		
Principal	60,142	58,851
Interest	2,689	32,458
<i>Total expenditures</i>	<u>62,831</u>	<u>180,503</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>633</u>	<u>(91,276)</u>
<i>Other financing sources (uses)</i>		
Transfers in	690	90,974
Transfers (out)	-	-
<i>Total other financing sources (uses)</i>	<u>690</u>	<u>90,974</u>
<i>Net change in fund balances</i>	1,323	(302)
<i>Fund balances - beginning of year</i>	<u>23,949</u>	<u>16,231</u>
<i>Fund balances - end of year</i>	<u>\$ 25,272</u>	<u>\$ 15,929</u>

See independent auditors' report.

<u>Debt Service</u>	
<u>NMFA Taos 51 Debt Service 431</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 290,868
212,467	6,373,525
-	479,113
-	501,371
-	3,122,209
-	4,296,219
-	369,926
-	781,895
-	329,124
1,037	77,986
-	254,246
<u>213,504</u>	<u>16,876,482</u>
-	1,995,619
-	5,959,908
-	1,475,236
-	322,580
-	3,249,027
-	3,436,514
126,898	1,216,180
85,568	714,192
<u>212,466</u>	<u>18,369,256</u>
<u>1,038</u>	<u>(1,492,774)</u>
4,089	8,578,042
-	(6,174,603)
<u>4,089</u>	<u>2,403,439</u>
5,127	910,665
<u>72,574</u>	<u>23,720,769</u>
<u>\$ 77,701</u>	<u>\$ 24,631,434</u>

See independent auditors' report.

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SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Taos County
Schedule of Deposit and Investment Accounts
June 30, 2018

Bank Name/Account Name	Account Type	Bank Balance
US Bank		
General Operating	Checking	\$ 17,677,578
Internet Account	Checking	1,244
Lock Box	Checking	90
US DoE- Old Courthouse	Checking	8,398
Complex Construction Project	Checking	441,858
TAD/ Commission	Checking	12,428
Sheriff Clearing Account	Checking	-
Inmate Trust Account	Checking	6,905
Solid Waste Lock Box	Checking	3,280
Credit Card	Checking	3,422
E-911	Checking	736,824
Hospital Mill Levy	Checking	2,288,505
Senior Program	Checking	193,551
Foster Grandparent/Senior Com	Checking	28,505
<i>Total US Bank</i>		<u>21,402,589</u>
Centinel Bank		
General Operating	Checking	172,634
AG Center	Checking	7,710
<i>Total Centinel Bank</i>		<u>180,344</u>
Hillcrest Bank		
General Operating	Checking	196,356
<i>Total Hillcrest Bank</i>		<u>196,356</u>
Bank of Albuquerque (Cash equivalent)		
Judicial /Admin/Corrections Complex- Income	Trust	773,038
Judicial /Admin/Corrections Complex- Reserve	Trust	33,589
Judicial /Admin/Corrections Complex- Debt Sc.	Trust	108,033
UNM Taos	Trust	2,654,055
Red River Schools	Trust	34,971
Penasco Schools	Trust	532,563
Taos Arts	Trust	28
Inocme fund	Trust	440,876
Debt Service	Trust	681,799
Mandatory Redemption	Trust	3,744
<i>Total Bank of Albuquerque</i>		<u>5,262,696</u>
<i>Total deposits</i>		<u>27,041,985</u>

See independent auditors' report.

Deposits in Transit	Outstanding Checks	Book Balance
\$ 5,780	\$ 634,853	\$ 17,048,505
-	-	1,244
-	-	90
-	-	8,398
-	-	441,858
-	-	12,428
-	-	-
-	-	6,905
1,120	-	4,400
-	-	3,422
-	-	736,824
-	-	2,288,505
10,000	-	203,551
-	-	28,505
<u>16,900</u>	<u>634,853</u>	<u>20,784,636</u>
-	27,433	145,201
-	-	7,710
-	<u>27,433</u>	<u>152,911</u>
-	-	196,356
-	-	<u>196,356</u>
-	-	773,038
-	-	33,589
-	-	108,033
-	-	2,654,055
-	-	34,971
-	-	532,563
-	-	28
-	-	440,876
-	-	681,799
-	-	3,744
-	-	<u>5,262,696</u>
<u>16,900</u>	<u>662,286</u>	<u>26,396,599</u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Schedule of Deposit and Investment Accounts
June 30, 2018

Bank Name/Account Name	Account Type	Bank Balance
New Mexico Finance Authority-Investment		
Latir FD Fire Pumper (Taos 38)	Trust	\$ 42
Hondo Seco (Taos 43)	Trust	249
Ojo Caliente (Taos 45)	Trust	302
Taos 46	Trust	14,687
Taos 50	Trust	696,070
Taos 50	Trust	15,929
Taos 51	Trust	2,217,595
Taos 51	Trust	42,290
PPRF-4699	Trust	17,141
PPRF-4699	Trust	11,590
Solid Waste Vehicles (Taos 46)	Trust	36,057
Taos 50 Reserve	Trust	92,983
Taos 51 Reserve	Trust	213,665
PPRF-4699 Reserve	Trust	47,043
<i>Total New Mexico Finance Authority</i>		<u>3,405,642</u>
Moreton Capital Markets-Investment		
Franklin Synergy Bank	CD	250,000
Ally Bank Utah	CD	250,000
Key Bank National OH	CD	250,000
BMW BK North America	CD	250,000
Comenity Cap Bank Utah	CD	250,000
Investors Community Bank	CD	250,000
Wells Fargo	CD	250,000
JP Morgan Chase	CD	250,000
State Bank of India NY	CD	250,000
Capital One	CD	250,000
American Express Centurian	CD	250,000
American Express Federal Savings	CD	250,000
Hiawatha National Bank	CD	250,000
TCF National Bank Sloux Falls	CD	250,000
Morgan Stanley Bank SLC UT	CD	250,000
Goldman Sachs	CD	250,000
Safra National Bank NY	CD	250,000
First National Bank OK	CD	250,000
Monona St. Bank Wisconsin	CD	250,057
Sallie Mae Bank Salt Lake	CD	250,000
<i>Total Moreton Capital Markets</i>		<u>5,000,057</u>
<i>Total investments</i>		<u>8,405,699</u>
<i>Total</i>		<u>\$ 35,447,684</u>
Add: other reconciling items		
Add: petty cash		
<i>Total deposits and investments</i>		

See independent auditors' report.

<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Book Balance</u>
\$ -	\$ -	\$ 42
-	-	249
-	-	302
-	-	14,687
-	-	696,070
-	-	15,929
-	-	2,217,595
-	-	42,290
-	-	17,141
-	-	11,590
-	-	36,057
-	-	92,983
-	-	213,665
-	-	47,043
<u>-</u>	<u>-</u>	<u>3,405,642</u>
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,000
-	-	250,057
-	-	250,000
<u>-</u>	<u>-</u>	<u>5,000,057</u>
-	-	8,405,699
<u>\$ 16,900</u>	<u>\$ 662,286</u>	<u>\$ 34,802,298</u>
		159,531
		2,025
		<u>\$ 34,963,854</u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2018

Schedule II

Name of Depository	Description of Pledged Collateral	Maturity	LOC Number	Fair Market Value at June 30, 2018
US Bank				
	Federal Home Loan Bank Cincinnati, Letter of Credit	09/28/18	525849	<u>\$ 25,000,000</u>
	<i>Total Pledged Collateral</i>			<u><u>\$ 25,000,000</u></u>

The location of the safekeeper of the above securities is Federal Home Loan Bank Cincinnati,
221 East Fourth Street, Cincinnati, Ohio 45202

This letter of credit is irrevocable, unconditional, and nontransferable

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2018

Schedule III

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Assets				
Cash and cash equivalents	\$ 848,093	\$ 29,361,099	\$ 29,454,021	\$ 755,171
Property taxes receivable	3,510,907	29,816,867	29,565,341	3,762,433
Gross receipts tax receivable	<u>356,969</u>	<u>159,912</u>	<u>356,969</u>	<u>159,912</u>
<i>Total assets</i>	<u><u>\$ 4,715,969</u></u>	<u><u>\$ 59,337,878</u></u>	<u><u>\$ 59,376,331</u></u>	<u><u>\$ 4,677,516</u></u>
Liabilities				
Due to other entities	<u>\$ 4,715,969</u>	<u>\$ 59,337,878</u>	<u>\$ 59,376,331</u>	<u>\$ 4,677,516</u>
<i>Total liabilities</i>	<u><u>\$ 4,715,969</u></u>	<u><u>\$ 59,337,878</u></u>	<u><u>\$ 59,376,331</u></u>	<u><u>\$ 4,677,516</u></u>

See independent auditors' report.

STATE OF NEW MEXICO
Taos County
10 Year Property Tax Schedule
For the Year Ended June 30, 2018

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
EL PRADO WATER & SANITATION DISTRICT 2017/2018			
.....	2017/2018	\$ 157,539	\$ 135,847
.....	2016/2017	161,582	148,525
.....	2015/2016	171,476	165,481
.....	2014/2015	135,545	133,090
.....	2013/2014	131,723	129,888
.....	2012/2013	105,732	105,018
.....	2011-2012	105,538	104,242
.....	2010-2011	116,320	111,254
.....	2009/2010	112,877	109,144
.....	2008/2009	105,570	103,559
TOTAL		1,303,904	1,246,048

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
TWINING WATER & SANITATION DISTRICT 2017/2018			
.....	2017/2018		-
.....	2016/2017		-
.....	2015/2016		-
.....	2014/2015		-
.....	2013/2014		-
.....	2012/2013	-	-
.....	2011-2012	-	-
.....	2010-2011	-	-
.....	2009/2010	-	-
.....	2008/2009	-	-
TOTAL		-	-

DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
\$ 135,847	\$ 131,088	\$ 394	\$ 394	\$ 4,759	\$ 131,088	\$ 21,298
137,146	148,374	-	404	151	11,228	12,653
141,925	164,953		429	528	5,008	5,566
113,944	133,090		339		1,020	2,117
114,494	129,888		329		24	1,506
89,260	105,018		264		19	450
91,608	104,242		264		19	1,033
94,537	111,254		291		9	4,775
93,397	109,144		282		10	3,451
88,685	103,559		264		11	1,747
1,100,842	1,240,610	394	3,260	5,438	148,436	54,597
DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
	-	-	-			-
	-	-	-			-
	-	-	-			-
	-	-	-			-
	-	-	-			-
-	-	-	-	-		-
-	-	-	-	-		-
-	-	-	-	-		-
-	-	-	-	-		-
-	-	-	-	-		-
-	-	-	-	-		-
-	-	-	-	-		-

STATE OF NEW MEXICO
Taos County
10 Year Property Tax Schedule
For the Year Ended June 30, 2018

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
El Valle de Los Ranchos Sanitation & Water District\ 2017/2018			
.....	2017/2018	829,520	724,843
.....	2016/2017	816,616	762,859
.....	2015/2016	803,326	776,060
.....	2014/2015	623,455	607,976
.....	2013/2014	603,165	591,217
.....	2012/2013	578,418	569,538
.....	2011-2012	572,796	560,595
.....	2010-2011	553,019	545,331
.....	2009/2010	543,598	531,931
.....	2008/2009	451,199	444,536
TOTAL		6,375,112	6,114,885

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
TAOS SOIL & CONSERVATION SERVICE 2017/2018			
.....	2017/2018	1,087,182	984,710
.....	2016/2017	1,108,137	1,004,331
.....	2015/2016	1,026,768	996,967
.....	2014/2015	1,020,135	991,600
.....	2013/2014	989,675	971,693
.....	2012/2013	972,906	957,332
.....	2011-2012	968,000	945,638
.....	2010-2011	936,931	917,629
.....	2009/2010	919,377	901,783
.....	2008/2009	809,223	797,637
TOTAL		9,838,335	9,469,320

DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
724,843	708,277	2,074	2,074	16,566	708,277	102,602
712,401	762,082	-	2,042	777	49,681	51,716
697,160	771,984		2,008	4,076	13,655	25,257
544,812	607,962		1,559	14	1,687	13,920
523,311	591,204		1,508	13	452	10,440
510,787	569,460		1,446	78	119	7,435
494,138	560,163		1,432	432	110	10,770
485,855	544,896		1,383	435	209	6,306
477,356	531,477	-	1,359	454	163	10,308
398,161	444,114	-	1,128	422	37	5,535
5,568,823	6,091,619	2,074	15,938	23,266	774,389	244,289
DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
984,710	963,059	2,718	2,718	21,651	963,059	99,755
951,649	1,003,053	-	2,770	1,278	51,404	101,036
922,488	993,486		2,567	3,481	14,569	27,234
916,997	991,562		2,550	39	2,423	25,984
890,408	971,684		2,474	9	1,329	15,508
876,431	957,301		2,432	32	1,121	13,142
860,230	945,536		2,420	102	889	19,942
835,759	917,527		2,342	102	638	16,960
821,344	901,661		2,298	122	292	15,296
727,933	797,523		2,023	114	195	9,563
8,787,949	9,442,392	2,718	24,596	26,929	1,035,920	344,418

STATE OF NEW MEXICO
Taos County
10 Year Property Tax Schedule
For the Year Ended June 30, 2018

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
TAOS EDUCATION CENTER 2017/2018			
.....	2017/2018	2,176,879	1,984,875
.....	2016/2017	2,068,168	1,996,349
.....	2015/2016	2,016,175	1,975,397
.....	2014/2015	1,954,806	1,924,961
.....	2013/2014	1,904,555	1,879,859
.....	2012/2013	1,822,629	1,814,512
.....	2011/2012	1,720,023	1,706,890
.....	2010-2011	1,634,756	1,620,917
.....	2009/2010	1,605,719	1,594,998
.....	2008/2009	1,446,980	1,422,343
TOTAL		18,350,690	17,921,100

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
TOWN OF TAOS 2017/2018			
OPERATIONAL	2017/2018	1,119,339	1,001,428
OPERATIONAL	2016/2017	1,091,419	1,059,524
OPERATIONAL	2015/2016	1,077,826	1,055,669
OPERATIONAL	2014/2015	1,053,010	1,041,535
OPERATIONAL	2013/2014	1,020,560	1,010,027
OPERATIONAL	2012/2013	971,249	991,652
OPERATIONAL	2011/2012	906,343	908,036
OPERATIONAL	2010-2011	858,116	848,640
OPERATIONAL	2009/2010	845,581	853,533
OPERATIONAL	2008/2009	760,321	739,786
TOTAL		9,703,766	9,509,830

DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
1,984,875	1,943,843	5,442	5,442	41,032	1,943,843	186,561
1,899,484	1,994,467		5,170	1,882	94,983	66,649
1,838,638	1,970,420		5,040	4,977	23,334	35,737
1,788,387	1,924,916		4,887	44	3,498	24,958
1,734,861	1,879,848		4,761	11	1,610	19,935
1,672,531	1,814,441		4,557	71	1,193	3,561
1,554,221	1,706,709		4,300	181	958	8,833
1,469,211	1,620,738		4,087	179	784	9,753
1,440,140	1,594,784		4,014	213	580	6,707
1,280,838	1,422,121		3,617	222	199	21,019
16,663,186	17,872,288	5,442	45,877	48,812	2,070,981	383,713
DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
1,001,428	980,031	2,798	2,798	21,397	980,031	115,113
1,010,745	1,058,775		2,729	749	48,030	29,167
985,424	1,054,756		2,695	913	8,195	19,463
958,318	1,041,532		2,633	3	851	8,843
929,018	1,010,024		2,551	3	67	7,982
910,460	991,636		2,428	17	61	(22,832)
809,383	908,036		2,266	-	10	(3,959)
738,749	848,640		2,145	-	4	7,331
735,933	853,533		2,114	-	566	(10,066)
631,651	739,769		1,901	17	4	18,634
8,711,108	9,486,731	2,798	24,259	23,099	1,037,818	169,677

STATE OF NEW MEXICO
Taos County
10 Year Property Tax Schedule
For the Year Ended June 30, 2018

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
VILLAGE OF QUESTA 2017/2018			
OPERATIONAL	2017/2018	169,021	150,729
OPERATIONAL	2016/2017	164,642	154,680
OPERATIONAL	2015/2016	123,320	118,580
OPERATIONAL	2014/2015	114,229	111,862
OPERATIONAL	2013/2014	106,663	104,974
OPERATIONAL	2012/2013	102,597	101,388
OPERATIONAL	2011-2012	95,933	94,254
OPERATIONAL	2010-2011	90,425	89,669
OPERATIONAL	2009/2010	90,526	89,854
OPERATIONAL	2008/2009	84,585	83,017
TOTAL		1,141,941	1,099,009

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
TOWN OF RED RIVER 2017/2018			
OPERATIONAL/DEBT SERVICE	2017/2018	518,377	476,459
OPERATIONAL/DEBT SERVICE	2016/2017	546,081	528,767
OPERATIONAL	2015/2016	372,943	367,544
OPERATIONAL	2014/2015	361,768	359,248
OPERATIONAL	2013/2014	357,651	353,436
OPERATIONAL	2012/2013	341,168	339,928
OPERATIONAL	2011-2012	320,823	314,305
OPERATIONAL	2010-2011	295,212	293,385
OPERATIONAL	2009/2010	292,326	290,518
OPERATIONAL	2008/2009	271,960	268,727
TOTAL		3,678,310	3,592,317

DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
150,729	147,163	423	423	3,565	147,163	17,869
143,872	154,135		412	545	10,263	9,550
107,118	117,512		308	1,068	2,689	4,431
100,482	111,837		286	26	176	2,081
90,549	104,963		267	11	96	1,422
88,378	101,388		256	-	86	952
79,778	94,254		240	-	111	1,439
76,782	89,669		226	-	51	530
78,823	89,854	-	226	-	51	446
72,838	83,017		211	-	52	1,356
<u>989,349</u>	<u>1,093,794</u>	<u>423</u>	<u>2,855</u>	<u>5,215</u>	<u>160,737</u>	<u>40,077</u>
DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
476,459	469,669	1,296	1,296	6,790	469,669	40,622
511,719	528,003		1,365	764	16,284	15,948
340,948	365,721		932	1,823	6,763	4,466
327,075	359,239		904	9	211	1,616
325,088	353,436		894		-	3,321
313,851	339,928		853		1,106	387
288,270	314,305		802		-	5,715
271,850	293,385		738		-	1,089
273,665	290,518		731		-	1,078
251,672	268,727		680		-	2,554
<u>3,380,597</u>	<u>3,582,931</u>	<u>1,296</u>	<u>9,196</u>	<u>9,386</u>	<u>494,033</u>	<u>76,797</u>

STATE OF NEW MEXICO
Taos County
10 Year Property Tax Schedule
For the Year Ended June 30, 2018

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
VILLAGE OF TAOS SKI VALLEY 2017/2018			
.....	2017/2018	522,404	501,606
.....	2016/2017	512,938	505,727
.....	2015/2016	469,261	463,332
.....	2014/2015	459,361	451,139
.....	2013/2014	454,787	449,168
.....	2012/2013	431,802	434,961
.....	2011-2012	192,058	191,143
.....	2010-2011	182,109	180,826
.....	2009/2010	176,591	179,831
.....	2008/2009	132,233	132,353
TOTAL		3,533,546	3,490,085

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
STATE LEVIES 2017/2018			
.....	2017/2018	2,011,051	1,822,226
.....	2016/2017	1,946,038	1,872,864
.....	2015/2016	1,892,849	1,846,672
.....	2014/2015	1,887,001	1,853,620
.....	2013/2014	1,851,271	1,822,295
.....	2012/2013	1,799,659	1,786,442
.....	2011-2012	1,806,992	1,786,371
.....	2010-2011	1,999,151	1,978,331
.....	2009/2010	1,494,659	1,480,144
.....	2008/2009	1,460,685	1,432,063
TOTAL		18,149,356	17,681,027

DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
501,606	494,615	1,306	1,306	6,991	494,615	19,492
485,452	505,727		1,282		20,275	5,929
445,604	463,332		1,173		2,289	4,756
431,212	451,139		1,148		246	7,074
422,730	449,168		1,137			4,483
405,127	434,961		1,080			(4,238)
173,206	191,143		480			435
162,318	180,826		455			828
162,882	179,831		441			(3,681)
116,308	132,353		331			(451)
3,306,447	3,483,094	1,306	8,834	6,991	517,425	34,627

DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
1,822,226	1,783,786	5,028	5,028	38,440	1,783,786	183,798
1,780,693	1,870,678	-	4,865	2,185	89,985	68,309
1,715,646	1,841,416		4,732	5,256	23,315	41,444
1,717,839	1,853,538		4,718	81	3,942	28,664
1,676,656	1,822,265		4,628	30	2,025	24,348
1,641,987	1,786,382		4,499	60	1,644	8,718
1,625,003	1,786,224		4,517	147	1,328	16,104
1,793,903	1,978,162		4,998	169	1,120	15,822
1,340,169	1,479,992		3,737	152	617	10,778
1,295,341	1,431,890		3,652	173	305	24,970
16,409,463	17,634,333	5,028	45,373	46,694	1,908,067	422,955

STATE OF NEW MEXICO
Taos County
10 Year Property Tax Schedule
For the Year Ended June 30, 2018

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2016/2017 2017/2018
LEVY/CATTLE,SHEEP,GOAT& EQUINE,SWINE 2017/2018			
.....	2017/2018	16,846	12,147
.....	2016/2017	16,787	12,927
.....	2015/2016	12,844	10,937
.....	2014/2015	13,347	10,906
.....	2013/2014	15,248	11,474
.....	2012/2013	12,486	11,520
.....	2011-2012	10,758	8,634
.....	2010-2011	10,134	8,209
.....	2009/2010	11,127	9,191
.....	2008/2009	10,095	8,485
TOTAL		129,673	104,431

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
TAOS MUNICIPAL SCHOOL 2017/2018			
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2017/2018	6,050,391	5,504,954
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2016/2017	5,944,736	5,735,891
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2015/2016	6,086,036	5,954,858
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2014/2015	5,879,689	5,788,339
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2013/2014	5,741,972	5,666,281
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2012/2013	4,827,278	4,808,248
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2011-2012	5,926,493	5,881,370
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2010-2011	5,845,990	5,795,461
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2009/2010	4,517,677	4,490,271
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2008/2009	4,191,993	4,118,005
TOTAL		55,012,254	53,743,678

DISTRIBUTED IN CURRENT YEAR 2016/2017 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY16-17 FY17-18	COUNTY RECEIVABLE AT YEAR END
12,147	11,969	42	42	178	11,969	4,657
11,765	12,916	-	42	12	1,150	3,818
9,838	10,909		32	28	117	1,876
10,293	10,900		33	6	65	2,407
9,529	11,474		38		58	3,735
8,871	11,520		31		25	935
7,348	8,634		27		20	2,097
7,109	8,209		25		68	1,900
7,986	9,162		28	29	-	1,909
7,573	8,485		25	-	-	1,585
92,460	104,179	42	324	252	13,472	24,918

DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
5,504,954	5,389,872	15,126	15,126	115,082	5,389,872	530,311
5,451,693	5,730,481		14,862	5,410	278,789	193,983
5,536,347	5,939,923		15,215	14,935	71,552	115,963
5,369,300	5,788,216		14,699	124	11,080	76,651
5,218,517	5,666,250		14,355	31	5,358	61,337
4,422,788	4,808,073		12,068	175	3,494	6,961
5,337,427	5,880,796		14,816	574	3,759	30,307
5,228,555	5,794,869		14,615	592	3,131	35,914
4,038,023	4,489,715		11,294	555	1,811	16,112
3,695,326	4,117,399		10,480	606	615	63,508
49,802,930	53,605,595	15,126	137,531	138,083	5,769,460	1,131,045

STATE OF NEW MEXICO
Taos County
10 Year Property Tax Schedule
For the Year Ended June 30, 2018

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
PENASCO INDEPENDENT SCHOOL 2017/2018			
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2017/2018	326,044	290,556
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2016/2017	278,764	263,506
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2015/2016	272,219	264,497
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2014/2015	270,678	265,372
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2013/2014	271,648	266,853
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2012/2013	164,525	162,053
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2011/2012	135,107	133,052
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2010-2011	294,866	290,833
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2009/2010	368,959	363,571
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2008/2009	218,680	214,991
TOTAL		2,601,491	2,515,284

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
MESA VISTA CONSOLIDATED SCHOOL 2017/2018			
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2017/2018	353,503	281,043
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2016/2017	443,524	394,686
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2015/2016	441,030	398,777
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2014/2015	394,117	356,944
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2013/2014	379,558	345,121
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2012/2013	361,476	331,148
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2011-2012	366,428	331,748
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2010-2011	340,426	315,614
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2009/2010	361,432	338,669
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2008/2009	368,909	335,474
TOTAL		3,810,404	3,429,224

DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
290,556	283,125	815	815	7,431	283,125	34,673
250,491	262,727		697	779	12,236	14,561
241,048	264,048		681	449	5,231	7,042
240,779	265,335		677	37	806	4,629
240,477	266,840		679	13	420	4,116
144,666	162,053		411		154	2,061
119,064	133,052		338		131	1,718
263,758	290,833		737		108	3,296
325,757	363,571		922		-	4,466
195,802	214,991		547		-	3,142
<u>2,312,397</u>	<u>2,506,574</u>	<u>815</u>	<u>6,504</u>	<u>8,710</u>	<u>302,212</u>	<u>79,704</u>

DISTRIBUTED IN CURRENT Year 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
281,043	271,943	884	884	9,100	271,943	71,576
369,056	394,066		1,109	619	25,010	47,730
365,295	396,367		1,103	2,410	7,053	41,151
321,910	356,791		985	153	3,870	36,188
304,778	345,093		949	28	2,761	33,489
294,571	331,134		904	14	1,721	29,423
294,680	331,737		916	11	1,889	33,764
279,710	315,610		851	4	1,143	23,961
299,521	338,665		904	4	1,010	21,860
302,019	335,472		922	2	973	32,512
<u>3,112,584</u>	<u>3,416,879</u>	<u>884</u>	<u>9,526</u>	<u>12,345</u>	<u>317,373</u>	<u>371,653</u>

STATE OF NEW MEXICO
Taos County
10 Year Property Tax Schedule
For the Year Ended June 30, 2018

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
QUESTA INDEPENDENT SCHOOL 2017/2018			
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2017/2018	1,170,419	1,074,106
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2016/2017	1,421,866	1,379,342
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2015/2016	967,271	936,245
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2014/2015	1,182,175	1,175,054
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2013/2014	1,158,447	1,145,983
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2012/2013	981,654	974,732
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2011/2012	891,431	879,267
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2010-2011	883,489	878,304
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2009/2010	881,504	847,588
OPERATIONAL/DEBT SERV./CAP IMP./EDUC TECH.	2008/2009	597,930	587,993
TOTAL		10,136,186	9,878,616

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
Hospital Mill Levy 2017/2018			
OPERATIONAL	2017/2018	1,476,436	1,337,872
OPERATIONAL	2016/2017	1,430,910	1,377,107
TOTAL		2,907,346	2,714,979

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
TIDD 2017/2018			
OPERATIONAL	2017/2018	-	49,193
OPERATIONAL	2016/2017	-	25,379
TOTAL		-	74,572

DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
1,074,106	1,054,171	2,926	2,926	19,936	1,054,171	93,386
1,318,852	1,376,627		3,555	2,716	57,774	38,969
881,166	932,048		2,418	4,197	12,655	28,607
1,088,926	1,174,977		2,955	77	1,436	4,165
1,061,951	1,145,916		2,896	67	501	9,567
903,434	974,709		2,454	23	1,105	4,468
817,808	879,247		2,229	20	213	9,936
822,904	878,281		2,209	23	119	2,976
826,540	847,560		2,204	29	74	31,712
553,956	587,978		1,495	15	58	8,442
						-
<u>9,349,643</u>	<u>9,851,513</u>	<u>2,926</u>	<u>25,340</u>	<u>27,103</u>	<u>1,128,105</u>	<u>232,229</u>
DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
1,337,872	1,309,652	3,691	3,691	28,219	1,309,652	134,873
1,309,334	1,307,727		3,577	1,607	66,166	50,226
						-
<u>2,647,206</u>	<u>2,617,380</u>	<u>3,691</u>	<u>7,268</u>	<u>29,826</u>	<u>1,375,818</u>	<u>185,099</u>
DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
49,193	49,193	-	-	-	49,190	(49,193)
25,379	25,379	-	-	-	3	(25,379)
<u>74,572</u>	<u>74,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,193</u>	<u>(74,572)</u>

STATE OF NEW MEXICO
Taos County
10 Year Property Tax Schedule
For the Year Ended June 30, 2018

AGENCY	TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/2018
Taos County 2017/2018			
COUNTY/CURRENT-PRIOR-ADM FEE	2017/2018	11,534,819	10,479,128
COUNTY/CURRENT-PRIOR-ADM FEE	2016/2017	11,179,527	10,779,342
COUNTY/CURRENT-PRIOR-ADM FEE	2015/2016	10,797,934	10,655,814
COUNTY/CURRENT-PRIOR-ADM FEE	2014/2015	10,331,278	10,432,888
COUNTY/CURRENT-PRIOR-ADM FEE	2013/2014	10,313,927	10,171,299
COUNTY/CURRENT-PRIOR-ADM FEE	2012/2013	9,817,261	9,784,595
COUNTY/CURRENT-PRIOR-ADM FEE	2011-2012	9,049,117	9,219,457
COUNTY/CURRENT-PRIOR-ADM FEE	2010-2011	8,791,831	8,855,693
COUNTY/CURRENT-PRIOR-ADM FEE	2009/2010	8,661,661	8,829,298
COUNTY/CURRENT-PRIOR-ADM FEE	2008/2009	7,851,482	7,776,591
TOTAL		98,328,836	96,984,106

TAX YEAR/-FISCAL YEARS	PROPERTY TAXES LEVIED	COLLECTED CURRENT YEAR 2017/18
2016/2017	247,467,200	241,987,192
	247,467,200	241,987,192

DISTRIBUTED IN CURRENT YEAR 2017/2018	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
10,479,128	10,479,128	28,837	28,837		10,479,128	1,026,853
10,215,125	10,779,342		27,949		564,217	372,236
9,870,963	10,655,814		26,995		171,619	115,125
9,637,351	10,432,888		25,828		25,321	(127,439)
9,313,910	10,171,299		25,785		14,047	116,843
8,946,217	9,784,595		24,543		11,942	8,123
8,326,487	9,219,457		22,623		9,336	(192,962)
7,949,906	8,855,693		21,980		6,955	(85,842)
7,931,943	8,829,298		21,654		5,269	(189,291)
6,968,916	7,776,591		19,629		2,709	55,262
89,639,947	96,984,106	28,837	245,822	-	11,290,543	1,098,907
DISTRIBUTED IN CURRENT YEAR 2017/18	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END Dist/July, 2018	Total Distribution For FY17-18	COUNTY RECEIVABLE AT YEAR END
223,437,073	241,507,270	74,542	618,668	412,150	28,684,839	4,861,340
223,437,073	241,507,270	74,542	618,668	412,150	28,684,839	4,861,340

STATE OF NEW MEXICO
Taos County
Schedule of Tax Roll Reconciliation- Property Tax Receivable
June 30, 2018

Schedule V

Property taxes receivable June 30, 2017	\$ 4,538,749
Changes to Tax Roll:	
Net taxes charged to Treasurer for fiscal year	29,816,867
Adjustments:	
Charge off of taxes receivable	(229,192)
Adjustments to tax roll and change in uncollectable	<u>(168,032)</u>
Total receivables prior to collections	33,958,392
Collections for fiscal year ended June 30, 2018	<u>(29,097,052)</u>
Property taxes receivable June 30, 2018	<u><u>\$ 4,861,340</u></u>
Per Treasurer's report:	
Property taxes receivable by year:	
2008	\$ 251,276
2009	(79,449)
2010	45,670
2011	(54,575)
2012	58,362
2013	319,250
2014	113,700
2015	481,814
2016	1,065,429
2017	<u>2,659,863</u>
Total property taxes receivable	<u><u>\$ 4,861,340</u></u>

See independent auditors' report.

COMPLIANCE SECTION

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

INDEPENDENT AUDITORS' REPORT

County Commissioners
Taos County
Wayne Johnson
New Mexico State Auditor
Taos, 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, and the budgetary comparison of the General Fund of Taos County (the County), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 22, 2018.

Internal Control Over Financial Reporting

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

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

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

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 did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of Section 12-6-5 NMSA 1978 finding as item 2018-001.

County's Responses to Findings

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

Purpose of this Report

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

A handwritten signature in blue ink that reads "Cordova CPAs LLC". The signature is written in a cursive, flowing style.

Cordova CPAs LLC
Albuquerque, New Mexico
November 22, 2018

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Section I – Summary of Auditors’ Results

Financial Statements:

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

Section II – Financial Statement Findings

None noted

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

2018-001 Payments for Goods/Services without Receipt of Goods/Services (Finding that do not rise to the level of a significant deficiency)

Condition: During our audit, we noted two separate cash disbursements for conference registrations totaling \$715, where the registration was paid for prior to the conference however the conference was never attended by the Taos County registrant.

Criteria: Anti-donation Clause of New Mexico Constitution (Article IX, Sec. 14) Neither the state nor any county, school district or municipality, except as otherwise provided in the NM constitution, shall directly or indirectly lend or pledge its credit or *make any donation to or in aid of any person, association or public or private corporation.*

Effect: The County has disbursed public funds but did not receive any good and/or services.

Cause: Registrations for conferences are paid for and then subsequently not attended. Also, the County has not sent other Taos County associates in place of the original registrant and/or has not required payment back to the County for registrants failing to attend.

Auditors' Recommendation: We recommend that all goods and services are received prior to the disbursement of any public funds or that the County require reimbursements from, either the vendor or the Taos County representative, in the event they cannot attend a previously paid for conference/event.

Agency Response: Taos County requires all employees, regardless of employment classification to complete the Authorization, Agreement and Certification of Training form for any travel and/or training opportunity that would directly enhance their professional development. The requirement of this form is being extended to include Elected Officials and/or Appointed Officials. If an unforeseen circumstance should arise, there is a disclosure on the form that would require reimbursement of any fee incurred. The County Manager will oversee this plan.

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Section IV – Prior Year Audit Findings

2017-001 Accounts Receivable Cutoff – (Material Weakness) – Resolved

2017-002 Trial Balance Maintenance and Financial Statement Preparation – (Significant Deficiency) – Resolved

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Exit Conference

An exit conference was held on November 20, 2018. In attendance were the following:

Representing the Taos County:

Jim Fambro, County Commission Chairman
Leandro Cordova, County Manager
Lupe Martinez, Finance Director
Jonathan Montoya, Accountant II
Susan K. Trujillo, County Treasurer
Paula Santistevan, Chief Deputy Treasurer
Randy Baca, Treasurer's Accountant

Representing Cordova CPAs:

Robert Cordova, CPA, Principal
Robert Gonzales, CPA, Principal

Auditor Prepared Financial Statements

Cordova CPAs LLC prepared the GAAP-basis financial statements and footnotes of Taos County from the original books and records provided to them by the management of the County. The responsibility for the financial statements remains with the County.