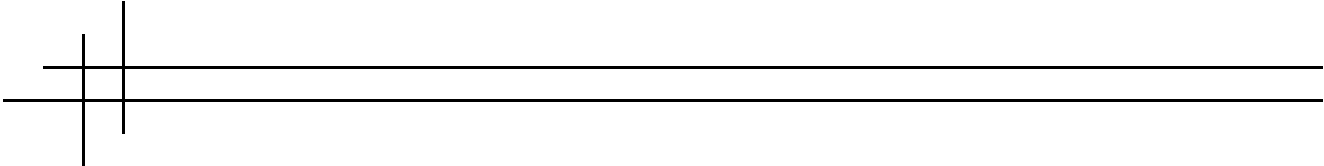




STATE OF NEW MEXICO
DE BACA COUNTY

ANNUAL FINANCIAL REPORT
June 30, 2011

De'Aun Willoughby CPA, PC
Certified Public Accountant
Melrose, New Mexico



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DE BACA COUNTY
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STATE OF NEW MEXICO
DE BACA COUNTY
Official Roster
June 30, 2011

COUNTY COMMISSION

Joe Steele	Chairman
Tommy Roybal	Vice-Chairman
George Gonzales	Member

ELECTED OFFICIALS

Laurie Pettigrew	Clerk
Randy Ballard	Treasurer
Denise Cones	Assessor
Dennis Clever	Sheriff
Linda Sena	Probate Judge

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Independent Auditor's Report

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Commissioners of De Baca County

Mr. Balderas and Commissioners

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds of De Baca County, (County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's non-major governmental funds and the budgetary comparisons for the major capital project fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the discretely presented component unit, is based on the report of the other auditors. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2011, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund of the County as of June 30, 2011, and the respective changes in financial position, thereof and the respective budgetary comparison for the major capital project fund and all non-major funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 27, 2012 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* and should be considered in assessing the results of our audit.

The County has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

De'Ann Willoughby CPA PC

March 27, 2012

FINANCIAL SECTION

STATE OF NEW MEXICO
DE BACA COUNTY
 Government-Wide Statement of Net Assets
 June 30, 2011

	Governmental Activities	Component Unit
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 2,925,600	\$ 463,129
Receivables (Net of Allowance for Uncollectibles if Applicable)		
Accounts	0	204,666
Taxes	42,052	0
Due from Grantor	158,091	67,279
Other	0	6,387
Total Current Assets	<u>3,125,743</u>	<u>741,461</u>
Noncurrent Assets		
Restricted Cash	90,898	300,000
Capital Assets	11,615,941	1,117,149
Less: Accumulated Depreciation	<u>(6,118,336)</u>	<u>(588,826)</u>
Total Noncurrent Assets	<u>5,588,503</u>	<u>828,323</u>
Total Assets	<u>8,714,246</u>	<u>1,569,784</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	13,230	17,816
Accrued Salaries and Related Expenses	0	81,733
Deferred Revenue	0	40,532
Compensated Absences	26,568	51,419
Current Portion of Long-Term Debt	83,986	0
Total Current Liabilities	<u>123,784</u>	<u>191,500</u>
Noncurrent Liabilities		
Loans	591,646	0
Landfill Closure Cost	736,500	0
Total Noncurrent Liabilities	<u>1,328,146</u>	<u>0</u>
Total Liabilities	<u>1,451,930</u>	<u>191,500</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	4,821,973	528,323
Unrestricted	2,440,343	849,961
Total Net Assets	<u>\$ 7,262,316</u>	<u>\$ 1,378,284</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net(Expenses) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit
Governmental Activities						
General Government	\$ 408,134	\$ 28,400	\$ 454,000	\$	\$ 74,266	\$ 0
Public Safety	1,339,632	156,508	450,121	24,728	(708,275)	0
Public Works	1,080,443	17,825	317,840	218,124	(526,654)	0
Culture & Recreation	61,349	0	0	0	(61,349)	0
Health & Welfare	62,851	0	15,524	0	(47,327)	0
Interest on Long-Term Obligations	22,677	0	0	0	(22,677)	0
Total Governmental Activities	<u>\$ 2,975,086</u>	<u>\$ 202,733</u>	<u>\$ 1,237,485</u>	<u>\$ 242,852</u>	<u>(1,292,016)</u>	<u>0</u>
Component Unit	<u>\$ 2,462,597</u>	<u>\$ 2,138,469</u>	<u>\$ 0</u>	<u>\$ 154,699</u>	<u>\$ 0</u>	<u>\$ (169,429)</u>
General Revenues						
Property Taxes					\$ 795,174	\$ 220,785
Gross Receipts Taxes					242,549	0
Motor Vehicle Taxes					281,884	0
Gasoline Taxes					130,425	0
Interest Income					40,169	4,951
Miscellaneous					89,685	13,644
Total General Revenues					<u>1,579,886</u>	<u>239,380</u>
Change in Net Assets					<u>287,870</u>	<u>69,951</u>
Beginning Net Assets					6,545,360	1,308,333
Restatement					429,086	0
Beginning Net Assets as Restated					<u>6,974,446</u>	<u>1,308,333</u>
Ending Net Assets					<u>\$ 7,262,316</u>	<u>\$ 1,378,284</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2011

	<u>Special Revenue Funds</u>		
	<u>General Fund</u>	<u>Road Fund</u>	<u>Landfill Closure</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,472,231	\$ 854,933	\$ 0
Receivables (Net of Allowance for Uncollectibles if Applicable)			
Taxes	5,966	23,987	0
Due from Grantor	0	0	28,195
Interfund Balance	158,091	0	0
Restricted Cash	0	87,039	0
Total Assets	<u>\$ 1,636,288</u>	<u>\$ 965,959</u>	<u>\$ 28,195</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 28,195
Accounts Payable	4,128	1,629	0
Total Liabilities	<u>4,128</u>	<u>1,629</u>	<u>28,195</u>
Fund Balances			
Restricted, reported in			
Special Revenue Fund	0	964,330	0
Capital Projects	0	0	0
Unassigned, reported in:			
General Fund	1,632,160	0	0
Total Fund Balances	<u>1,632,160</u>	<u>964,330</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 1,636,288</u>	<u>\$ 965,959</u>	<u>\$ 28,195</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2011

	<u>Capital Project</u> Transfer Station Construction	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 598,436	\$ 2,925,600
Receivables (Net of Allowance for Uncollectibles if Applicable)			
Taxes	0	12,099	42,052
Due from Grantor	129,896		158,091
Interfund Balance	0	0	158,091
Restricted Cash	0	3,859	90,898
Total Assets	<u>\$ 129,896</u>	<u>\$ 614,394</u>	<u>\$ 3,374,732</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Interfund Balance	\$ 129,896	\$ 0	\$ 158,091
Accounts Payable	0	7,473	13,230
Total Liabilities	<u>129,896</u>	<u>7,473</u>	<u>171,321</u>
Fund Balances			
Restricted, reported in			
Special Revenue Fund	0	606,921	1,571,251
Capital Projects	0	0	0
Unassigned, reported in:			
General Fund	0	0	1,632,160
Total Fund Balances	<u>0</u>	<u>606,921</u>	<u>3,203,411</u>
Total Liabilities and Fund Balances	<u>\$ 129,896</u>	<u>\$ 614,394</u>	<u>\$ 3,374,732</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2011

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

Total Fund Balance - Governmental Funds		\$	3,203,411
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.			
	The cost of capital assets	\$	11,615,941
	Accumulated depreciation is		<u>(6,118,336)</u>
			5,497,605
Long-term and certain other liabilities, including loans payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :			
	Notes Payable		(675,632)
	Landfill Closures Cost		(736,500)
	Compensated Absences		<u>(26,568)</u>
			<u>(1,438,700)</u>
Total net assets - governmental activities		\$	<u><u>7,262,316</u></u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	General Fund	Road Fund	Landfill Closure
Revenues			
Taxes			
Gross Receipts Tax	\$ 96,427	\$ 0	\$ 0
Property Taxes	795,174	0	0
Motor Vehicle Tax	9,040	272,844	0
Gasoline Tax	0	130,425	0
Federal Grants	0	0	0
State Grants	454,000	201,500	107,919
Joint Powers Agreements	0	0	0
Charges for Services	89,451	0	0
Fines & Forfeitures	6,610	0	0
Licenses & Permits	2,149	0	0
Interest Income	28,382	10,709	0
Miscellaneous	57,806	18,439	0
Total Revenues	<u>1,539,039</u>	<u>633,917</u>	<u>107,919</u>
Expenditures			
Current			
General Government	390,886	0	0
Public Safety	207,483	0	0
Public Works	182,356	578,623	107,919
Culture & Recreation	46,404	0	0
Health & Welfare	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	55,021	0
Interest	0	19,029	0
Total Expenditures	<u>827,129</u>	<u>652,673</u>	<u>107,919</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>711,910</u>	<u>(18,756)</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/Out	<u>(448,488)</u>	<u>0</u>	<u>(450)</u>
Total Other Sources (Uses)	<u>(448,488)</u>	<u>0</u>	<u>(450)</u>
Net Change in Fund Balance	263,422	(18,756)	(450)
Fund Balances at Beginning of Year	<u>1,368,738</u>	<u>983,086</u>	<u>450</u>
Fund Balances at End of Year	<u>\$ 1,632,160</u>	<u>\$ 964,330</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2011

	<u>Capital Project</u> Transfer Station Construction	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Taxes			
Gross Receipts Tax	\$ 0	\$ 146,122	\$ 242,549
Property Taxes	0	0	795,174
Motor Vehicle Tax	0	0	281,884
Gasoline Tax	0	0	130,425
Federal Grants	0	7,788	7,788
State Grants	217,697	367,123	1,348,239
Joint Powers Agreements	0	124,310	124,310
Charges for Services	0	69,672	159,123
Fines & Forfeitures	0	34,851	41,461
Licenses & Permits	0	0	2,149
Interest Income	0	1,078	40,169
Miscellaneous	0	13,440	89,685
Total Revenues	<u>217,697</u>	<u>764,384</u>	<u>3,262,956</u>
Expenditures			
Current			
General Government	0	14,287	405,173
Public Safety	0	920,326	1,127,809
Public Works	0	56,486	925,384
Culture & Recreation	0	0	46,404
Health & Welfare	0	37,243	37,243
Capital Outlay	193,803	122,319	316,122
Debt Service			
Principal	0	101,425	156,446
Interest	0	3,648	22,677
Total Expenditures	<u>193,803</u>	<u>1,255,734</u>	<u>3,037,258</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>23,894</u>	<u>(491,350)</u>	<u>225,698</u>
Other Financing Sources (Uses)			
Transfers In/Out	<u>0</u>	<u>448,938</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>448,938</u>	<u>0</u>
Net Change in Fund Balance	23,894	(42,412)	225,698
Fund Balances at Beginning of Year	<u>(23,894)</u>	<u>649,333</u>	<u>2,977,713</u>
Fund Balances at End of Year	<u>0</u>	<u>\$ 606,921</u>	<u>\$ 3,203,411</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO

DE BACA COUNTY

Reconciliation of the Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balance

To the Statement of Activities

June 30, 2011

Net Change in Fund Balance	\$	225,698
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Depreciation expense	\$	(415,734)	
Capital Outlays		<u>316,122</u>	(99,612)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

	156,446
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Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Compensated Absences at 6/30/10	31,906	
Accrued Compensated Absences at 6/30/11	<u>(26,568)</u>	<u>5,338</u>

Changes in Net Assets of Governmental Activities	\$	<u><u>287,870</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 101,082	\$ 101,082	\$ 95,409	\$ (5,673)
Property Taxes	572,235	572,235	603,864	31,629
Payment in Lieu of Taxes	97,522	97,522	191,310	93,788
Motor Vehicle Taxes	8,500	8,500	9,040	540
Charge for Services	20,000	20,000	82,349	62,349
License & Permits	2,200	2,200	2,149	(51)
JPA-Communications	0	0	7,102	7,102
Rents	0	0	13,412	13,412
State Grants	439,000	439,000	454,000	15,000
Penalties & Interest	3,500	3,500	6,610	3,110
Interest Income	30,000	30,000	28,382	(1,618)
Sale of Property	0	0	10,251	10,251
Miscellaneous	133,165	133,165	34,151	(99,014)
Total Revenues	1,407,204	1,407,204	1,538,029	130,825
Expenditures				
Commissioners				
Personnel Services	73,282	73,282	39,492	33,790
Operating Expenses	144,031	144,031	71,654	72,377
Capital Outlay	25,000	25,000	6,930	18,070
Total Commissioners	242,313	242,313	118,076	124,237
Probate				
Personnel Services	9,130	9,130	10,779	(1,649)
Operating Expenses	1,293	1,293	867	426
Total Probate	10,423	10,423	11,646	(1,223)
Treasurer				
Personnel Services	68,479	68,479	66,265	2,214
Operating Expenses	10,708	10,708	12,550	(1,842)
Total Treasurer	79,187	79,187	78,815	372
Assessor				
Personnel Services	72,746	72,746	72,837	(91)
Operating Expenses	5,012	5,012	7,259	(2,247)
Total Assessor	\$ 77,758	\$ 77,758	\$ 80,096	\$ (2,338)

STATE OF NEW MEXICO

DE BACA COUNTY

GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Clerk				
Personnel Services	\$ 78,591	\$ 78,591	\$ 77,950	\$ 641
Operating Expenses	20,803	20,803	16,071	4,732
Total Clerk	<u>99,394</u>	<u>99,394</u>	<u>94,021</u>	<u>5,373</u>
Election				
Operating Expenses	18,735	18,735	8,610	10,125
Total Election	<u>18,735</u>	<u>18,735</u>	<u>8,610</u>	<u>10,125</u>
Public Safety				
Sheriff				
Personnel Services	188,724	188,724	154,816	33,908
Operating Expenses	64,625	64,625	54,440	10,185
Total Sheriff	<u>253,349</u>	<u>253,349</u>	<u>209,256</u>	<u>44,093</u>
Public Works				
Maintenance				
Personnel Services	27,638	27,638	27,707	(69)
Operating Expenses	39,250	39,250	35,076	4,174
Total Maintenance	<u>66,888</u>	<u>66,888</u>	<u>62,783</u>	<u>4,105</u>
Landfill				
Personnel Services	65,826	65,826	65,668	158
Operating Expenses	44,568	44,568	57,523	(12,955)
Total Landfill	<u>110,394</u>	<u>110,394</u>	<u>123,191</u>	<u>(12,797)</u>
Culture & Recreation				
Operating Expenses	37,319	37,319	46,404	(9,085)
Total Culture & Recreation	<u>37,319</u>	<u>37,319</u>	<u>46,404</u>	<u>(9,085)</u>
Total Expenditures	<u>995,760</u>	<u>995,760</u>	<u>832,898</u>	<u>162,862</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>411,444</u>	<u>411,444</u>	<u>705,131</u>	<u>293,687</u>
Other Financing Sources (Uses)				
Transfer to Communications	(161,166)	(161,166)	(161,166)	0
Transfer to Fair Grounds	0	0	(30)	30
Transfer to County Grants	(911)	(911)	(1,513)	602
Transfer to Corrections	(258,020)	(258,020)	(258,020)	0
Transfer to Farm & Range	(25,748)	(25,748)	(27,767)	2,019
Total Other Financing Sources	<u>\$ (445,845)</u>	<u>\$ (445,845)</u>	<u>\$ (448,496)</u>	<u>\$ 2,651</u>

STATE OF NEW MEXICO

DE BACA COUNTY

GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Net Changes in Cash Balance	\$ (34,401)	\$ (34,401)	\$ 256,635	\$ 291,036
Cash Balance Beginning of Year	<u>1,373,687</u>	<u>1,373,687</u>	<u>1,373,687</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,339,286</u>	<u>\$ 1,339,286</u>	<u>\$ 1,630,322</u>	<u>\$ 291,036</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ 256,635	
Net Change in Taxes Receivable			1,017	
Net Change in Accounts Payable			776	
Net Change in Accrued Payroll			<u>4,994</u>	
Net Changes in Fund Balance-GAAP Basis			<u>\$ 263,422</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO

DE BACA COUNTY

SPECIAL REVENUE FUND-ROAD FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Motor Vehicle Taxes	\$ 250,000	\$ 250,000	\$ 261,961	\$ 11,961
Gasoline Taxes	40,900	40,900	130,425	89,525
Rents	0	0	7,608	7,608
State Grants	257,000	257,000	201,500	(55,500)
Interest Income	20,000	20,000	10,709	(9,291)
Miscellaneous	4,000	4,000	10,831	6,831
Total Revenues	<u>571,900</u>	<u>571,900</u>	<u>623,034</u>	<u>51,134</u>
Expenditures				
Public Works				
Personnel Services	425,535	425,535	340,580	84,955
Operating Expenses	378,250	378,250	245,786	132,464
Capital Outlay	100,000	100,000	0	100,000
Debt Service				
Principal	0	0	72,539	(72,539)
Interest	0	0	19,029	(19,029)
Total Expenditures	<u>903,785</u>	<u>903,785</u>	<u>677,934</u>	<u>244,880</u>
Excess (Deficiency) of Revenues Over Expenditures	(331,885)	(331,885)	(54,900)	276,985
Cash Balance Beginning of Year	<u>996,872</u>	<u>996,872</u>	<u>996,872</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 664,987</u>	<u>\$ 664,987</u>	<u>\$ 941,972</u>	<u>\$ 276,985</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (54,900)	
Net Change in Taxes Receivable			10,884	
Net Change in Accounts Payable			17,772	
Net Change in Accrued Payroll			7,488	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (18,756)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-LANDFILL GRANT FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 107,919	\$ 107,919	\$ 107,919	\$ 0
Total Revenues	<u>107,919</u>	<u>107,919</u>	<u>107,919</u>	<u>0</u>
Expenditures				
Public Works				
Operating Expenses	107,919	107,919	107,919	0
Total Expenditures	<u>107,919</u>	<u>107,919</u>	<u>107,919</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer to Environmental	0	0	(450)	(450)
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>(450)</u>	<u>(450)</u>
Net Changes in Cash Balance	0	0	(450)	(450)
Cash Balance Beginning of Year	<u>450</u>	<u>450</u>	<u>450</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 450</u>	<u>\$ 450</u>	<u>\$ 0</u>	<u>\$ (450)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (450)	
Net Changes in Fund Balance-GAAP Basis			<u>\$ (450)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
Statement of Fiduciary Assets and Liabilities - Agency Funds
Agency Funds
June 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and temporary investments	\$ 4,124
Receivables	
Property Taxes	52,068
Total Assets	<u>\$ 56,192</u>
LIABILITIES	
Due to other taxing units	\$ 56,192
Total Liabilities	<u>\$ 56,192</u>

The notes to the financial statements are an integral part of this statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

De Baca County (County) was created by Section 4-30-1, New Mexico State Statutes Annotated, 1978 Compilation. The powers of the County as a body politic and corporate are exercised by a three-member Board of Commissioners who are elected , staggering positions expire each election. At each general election in the State of New Mexico a County Assessor, County Clerk, County Sheriff, and County Treasurer are elected. The County assesses, collects, and distributes property taxes; records property and legal documents; provides law enforcement services and maintains County roads.

The accounting policies of De Baca County conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

The financial statements of County have been prepared in accordance with general accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. 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 Statements 14 and 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government wide financial statements to emphasize that it is legally separate from the government.

The basic but not the only criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for including or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the County has two component units and is not a component unit of another governmental agency.

De Baca Family Practice Clinic

De Baca Family Practice Clinic (Clinic) located in Fort Sumner, New Mexico is a not-for-profit community health center. The Clinic provides comprehensive and coordinated primary and ancillary medical services to all persons regardless of ability to pay, primarily for residents of De Baca County. The Clinic was incorporated in 2001 and is considered a component unit of De Baca County.

Sunnyside Child Development Center

Sunnyside Child Development Center (Center) located in Fort Sumner, New Mexico is a not-for-profit community childcare center. The Center provides childcare services to residents of De Baca County. The Center was incorporated December 2007 and is considered a component unit of De Baca County.

Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the County. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported in the Statement of Fiduciary Net Assets at the fund financial statement level. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Program Revenues

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular program and 3) capital grants or contributions restricted to meeting capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The County segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The County has presented the following major governmental funds:

General Fund - 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.

Special Revenue Fund

Road Fund- To account for funds used to maintain roads for which the County has responsibility. Financing is provided by motor vehicle fees and gasoline taxes flowing through from the state. Expenditures are restricted to the construction and maintenance of County roads. Authorized sections 7-1-6.26 and 27, 67-3-28.2, NMSA,1978.

Landfill Closure Fund-To account for funds received from an environmental grant to purchase equipment and help with costs at the De Baca County landfill. Funds are authorized by the State Legislature and the State Environmental Department.

Capital Projects Fund

Transfer Station Construction-To account for a state grant to purchase land, equipment and capital improvements for the transfer station that replaces the landfill.

The County reports the following Fiduciary Fund types:

Agency Funds- These funds account for monies held on behalf of school districts, special districts, municipalities and the State of New Mexico that use the County as a depository; property taxes collected on behalf of other governments.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resource measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e. when they become both measurable and available. "Measurable means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes as available if they are collected within 30 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The specific revenue recognition policy for property taxes are recognized when levied, derived tax revenue (such as gross receipts tax) are recognized when the underlying transaction takes place, and grants are recognized when all of the eligibility requirements have been met.

The revenues susceptible to accrual are property taxes, licenses, charges for service, interest income and intergovernmental revenues. Gross receipts taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Control

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

1. The County administrator submits a proposed operating budget for the fiscal year commencing July 1, prior to June 30. The operating budget includes proposed expenditures and the means of financing them. A budget is proposed for the General and Special Revenue Funds.
2. Public hearings are conducted to obtain taxpayer comments. The budgets are then submitted to the Department of Finance and Administration for review, adjustment and approval.
3. Prior to June 30, the budget is legally enacted through passages of a resolution. The County Commission is authorized to transfer budgeted amounts between department within any fund. Department of Finance and Administration, Local Government Division must approve any revisions that alter the total expenditures of any fund.

4. Budgets for all funds are adopted on a regulatory prescribed cash basis. The level of budgetary control is by fund total. Budgetary information is presented as amended. The amendments being adopted in a legally prescribed manner.

5. Expenditures for each budget may not legally exceed the appropriation for fund. Appropriations lapse at year-end with any unspent cash balance being available for expenditures and appropriation in the subsequent year's budget.

6. The County did not adopt the budget for the Clinic. The budgetary comparison for the Clinic appears in the Clinic's separate audit report.

Cash and Cash Equivalents

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.

The County is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the County may be invested in :

(a) bonds or negotiable securities of the United States, the state or any county or municipality which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Prepaid Items

Prepaid balances are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Capital Assets

Capital assets, which includes property, plant, equipment (including software), and infrastructure assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Buildings	80 Years
Building Improvements	50 Years
Furniture	10 Years
Equipment	15 Years
Vehicles	7 Years
Heavy Equipment	15 Years

Use of Restricted Funds

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.

Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Sick leave is lost if the employee leaves the County.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments.

NOTE 3: CASH AND INVESTMENTS

The County is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

Citizens Bank of Clovis

<u>Name of Account</u>	Balance Per Bank 6/30/2011	Reconciled Balance	<u>Type</u>
Federal Tax Account	\$ 9,152	\$ 9	Checking
Payroll Account	8,666	8,666	Checking
De Baca County NOW Account	2,595,260	2,374,527	Checking
De Baca County MMA Account	389,903	389,903	Checking
De Baca County CD	156,618	156,618	Savings
TOTAL Deposited	<u>3,159,599</u>	<u>\$ 2,929,723</u>	
Less: FDIC Coverage	(500,000)		
Uninsured Amount	<u>2,659,599</u>		
50% collateral requirement	1,329,800		
Pledged securities	<u>1,871,201</u>		
Over (Under) requirement	<u>\$ 541,402</u>		

The following securities are pledged:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
GNMA Pool #				
80826	36225C4L7	\$ 889,384	7/15/2018	Independent Bank, Dallas, TX
GNMA Pool #				
80848	36225C5J1	66,735	2/20/2034	Independent Bank, Dallas, TX
GNMA Pool #				
GNR2009-29	38374UPP0	915,082	3/20/2034	Independent Bank, Dallas, TX
		<u>\$ 1,871,201</u>		

New Mexico Finance Authority

<u>Name of Account</u>	Balance Per Bank 6/30/2011	Reconciled Balance
Lake Sumner Fire Department	\$ 7	\$ 7
County Reserve	1,949	1,949
Lake Sumner Fire Department	1,904	1,904
Roads	87,039	87,039
TOTAL Deposited	<u>90,899</u>	<u>\$ 90,899</u>
Less: FDIC Coverage	(90,899)	
Uninsured Amount	0	
50% collateral requirement	0	
Pledged securities	0	
Over (Under) requirement	<u>\$ 0</u>	

The funds are held in reserve for debt service and earn a small amount of interest. The cash balances are restricted cash in the financial statements. The pledged securities are the responsibilities of NMFA.

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2011

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 590,899
Collateralized:	
Collateral held by the pledging bank in County's name	1,871,201
Uninsured and uncollateralized	<u>788,398</u>
Total Deposits	<u>\$ 3,250,498</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2011 \$788,398 of the County's bank balance of \$3,250,498 was exposed to custodial credit risk.

Component Unit:

Citizens Bank of Clovis

<u>Name of Account</u>	<u>Balance Per Bank 6/30/2011</u>	<u>Reconciled Balance</u>	<u>Type</u>
De Baca Family Practice Clinic	\$ 778,000	\$ 763,129	Checking
TOTAL Deposited	<u>778,000</u>	<u>\$ 763,129</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	528,000		
50% collateral requirement	264,000		
Pledged securities	<u>1,000,748</u>		
Over (Under) requirement	<u>\$ 736,748</u>		

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2011 none of the Clinic's bank balance of \$778,000 was exposed to custodial credit risk.

NOTE 4: RECEIVABLES

Receivables as of June 30, 2011, were as follows:

<u>Receivables</u>	<u>General</u>	<u>Road</u>	<u>Landfill Closure</u>	<u>Transfer Station Construction</u>	<u>Nonmajor Funds</u>
Taxes:					
Gross Receipts	\$ 5,966	\$ 0	\$ 0	\$ 0	\$ 12,099
Gasoline Tax	0	23,987	0	0	0
Due from Grantor	0	0	28,195	129,896	0
	<u>\$ 5,966</u>	<u>\$ 23,987</u>	<u>\$ 28,195</u>	<u>\$ 129,896</u>	<u>\$ 12,099</u>

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2011

NOTE 5: TAX ROLL RECONCILIATION

Property taxes receivable, beginning of year	\$ 44,546
Changes to tax roll:	
Net taxes charged to treasurer for fiscal year	1,688,408
Adjustments:	
Changes in taxes receivables	0
Charge off of taxes receivables	<u>(26)</u>
Total receivables prior to collections	1,732,928
Collections for fiscal year ended June 30, 2011	<u>(1,680,860)</u>
Property taxes receivable, end of year	<u>\$ 52,068</u>

	County	School	Village	Hospital	Irrigation District
2001	\$ 9	\$ 8	\$ 2	\$ 4	\$ 0
2002	206	144	2	74	0
2003	20	15	4	7	0
2004	19	16	4	7	0
2005	128	99	6	46	0
2006	149	83	6	54	0
2007	523	458	39	188	0
2008	1,275	1,104	116	459	76
2009	3,486	2,386	319	1,258	235
2010	13,332	9,832	1,099	4,815	7,354
	<u>\$ 19,147</u>	<u>\$ 14,145</u>	<u>\$ 1,597</u>	<u>\$ 6,912</u>	<u>\$ 7,665</u>

	Other	State	Total
2001	\$ 0	\$ 2	\$ 25
2002	0	26	452
2003	0	3	49
2004	0	2	48
2005	3	13	295
2006	0	16	308
2007	0	55	1,263
2008	15	135	3,180
2009	71	341	8,096
2010	148	1,772	38,352
	<u>\$ 237</u>	<u>\$ 2,365</u>	<u>\$ 52,068</u>

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2011

NOTE 6: AGENCY FUND

The Agency Fund is to account for taxes and other monies collected by the County on behalf of the local School District and Municipality within the County and the State of New Mexico.

	Beginning Balances 6/30/2010	Additions	Deductions	Ending Balances 6/30/2011
ASSETS				
Cash on hand	\$ 3,830	\$ 0	\$ 0	\$ 3,830
Taxes receivables	44,546	1,680,860	1,673,044	52,362
Total assets	<u>\$ 48,376</u>	<u>\$ 1,680,860</u>	<u>\$ 1,673,044</u>	<u>\$ 56,192</u>
LIABILITIES				
Deposits held for others				
General	\$ 0	\$ 603,864	\$ 603,864	\$ 0
Medical Clinic	0	220,785	220,785	0
Irrigation District	0	258,158	258,158	0
Municipality	0	29,842	29,842	0
State of New Mexico	0	158,113	158,113	0
School District	0	392,001	392,001	0
Treasurer-Taxes Paid in Advance	3,830	10,575	10,281	4,124
Uncollected taxes	44,546	7,522	0	52,068
Total liabilities	<u>\$ 48,376</u>	<u>\$ 1,680,860</u>	<u>\$ 1,673,044</u>	<u>\$ 56,192</u>

NOTE 7: INTERFUND TRANSFERS

Interfund transfers reflect a temporary transfer of cash due to temporary needs within the fund. The composition of interfund transfers during the year ended June 30, 2011 is as follows:

Receivable Fund	Payable Funds	
	Landfill Closurer	Transfer Station Construction
General	\$ 28,195	\$ 129,896
Totals	<u>\$ 28,195</u>	<u>\$ 129,896</u>

NOTE 8: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2011, is as follows:

	Balance 6/30/10	Restatement	Restated Beginning Balance	Increases
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 52,925	\$ 0	\$ 52,925	\$ 18,000
Total Capital Assets, not being Depreciated	<u>\$ 52,925</u>	<u>\$ 0</u>	<u>\$ 52,925</u>	<u>\$ 18,000</u>

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2011

Capital Assets, being Depreciated				
Land Improvements	\$ 7,238	\$ 0	\$ 7,238	\$ 0
Infrastructure	822,987	0	822,987	0
Buildings & Improvements	5,223,243	0	5,223,243	182,364
Equipment	4,485,287	708,139	5,193,426	115,758
Total Capital Assets, being Depreciated	<u>10,538,755</u>	<u>708,139</u>	<u>11,246,894</u>	<u>298,122</u>
Total Capital Assets	\$ <u>10,591,680</u>	\$ <u>708,139</u>	\$ <u>11,299,819</u>	\$ <u>316,122</u>
Less Accumulated Depreciation				
Land Improvements	\$ 5,170	\$ 0	\$ 5,170	\$ 1,068
Buildings & Improvements	46,736	0	46,736	16,460
Infrastructure	3,060,646	0	3,060,646	86,440
Equipment	2,310,997	279,053	2,590,050	311,766
Total Accumulated Depreciation	<u>5,423,549</u>	<u>279,053</u>	<u>5,702,602</u>	<u>415,734</u>
Capital Assets, net	\$ <u><u>5,168,131</u></u>	\$ <u><u>429,086</u></u>	\$ <u><u>5,597,217</u></u>	\$ <u><u>(99,612)</u></u>

		Decreases	Balance 6/30/11
Governmental Activities			
Capital Assets, not being Depreciated			
Land		\$ 0	\$ 70,925
Total Capital Assets, not being Depreciated		<u>0</u>	<u>70,925</u>
Capital Assets, being Depreciated			
Land Improvements		0	7,238
Infrastructure		0	822,987
Buildings & Improvements		0	5,405,607
Equipment		0	5,309,184
Total Capital Assets, being Depreciated		<u>0</u>	<u>11,545,016</u>
Total Capital Assets		\$ <u>0</u>	\$ <u>11,615,941</u>
Less Accumulated Depreciation			
Land Improvements		\$ 0	\$ 6,238
Buildings & Improvements		0	63,196
Infrastructure		0	3,147,086
Equipment		0	2,901,816
Total Accumulated Depreciation		<u>0</u>	<u>6,118,336</u>
Capital Assets, net		\$ <u><u>0</u></u>	\$ <u><u>5,497,605</u></u>

Depreciation expense was charged to governmental activities as follows:

General	\$ 18,073
Public Safety	202,847
Public Works	154,261
Culture & Recreation	14,945
Health & Welfare	25,608
Total depreciation expenses	\$ <u><u>415,734</u></u>

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2011

Component Unit:

De Baca Family Practice Clinic

Capital asset activity consists of the following at June 30, 2011:

	Balance 6/30/10	Increases	Decreases	Balance 6/30/11
Leasehold Improvements	\$ 289,442	\$ 188,033	\$ 0	\$ 477,475
Medical Equipment	405,928	0	0	405,928
Dental Equipment	130,126	0	0	130,126
Office Equipment	90,432	0	0	90,432
Maintenance Equipment	13,188	0	0	13,188
Total Depreciable Assets	<u>929,116</u>	<u>188,033</u>	<u>0</u>	<u>1,117,149</u>
Less Accumulated Depreciation				
Leasehold Improvements	84,390	28,798	0	113,188
Medical Equipment	215,630	49,709	0	265,339
Dental Equipment	116,872	13,252	0	130,124
Office Equipment	63,298	7,437	0	70,735
Maintenance Equipment	8,247	1,193	0	9,440
Total Accumulated Depreciation	<u>488,437</u>	<u>100,389</u>	<u>0</u>	<u>588,826</u>
Capital Assets, net	<u>\$ 440,679</u>	<u>\$ 87,644</u>	<u>\$ 0</u>	<u>\$ 528,323</u>

Depreciation was \$87,644 for the year ended June 30, 2011, respectively and is reported separately rather than allocated across departments.

NOTE 9: LONG TERM DEBT

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/10	Additions	Reductions	Balance 6/30/11	Amounts Due Within One Year
Governmental Activities					
Notes Payable	\$ 832,078	\$ 0	\$ 156,446	\$ 675,632	\$ 83,986
Compensated Absences	31,705	41,477	46,615	26,567	0
Long-Term Liabilities	<u>\$ 863,783</u>	<u>\$ 41,477</u>	<u>\$ 203,061</u>	<u>\$ 702,199</u>	<u>\$ 83,986</u>

The following loans were issued for the purpose of purchasing equipment for the fire departments and the road department.

Series	Lender	Maturity Date	Original Amount	Interest Rate	Balance
1995	NMFA	02/01/16	118,000	6.16%	\$ 44,000
1995	NMFA	05/01/14	183,994	0.00%	15,075
2000	NMFA	08/11/20	193,527	5.95%	47,728
2005	Wagner Cat	05/07/10	184,580	5.95%	0
2008	NMFA	11/01/20	727,419	3.00%	568,829
					<u>\$ 675,632</u>

STATE OF NEW MEXICO
DE BACA COUNTY
 Notes to the Financial Statements
 June 30, 2011

The annual requirements to amortize the general obligation bonds as of June 30, 2011, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 83,986	\$ 22,340	\$ 106,326
2013	70,483	20,257	90,740
2014	73,189	17,996	91,185
2015	75,040	15,554	90,594
2016	78,041	12,929	90,970
2017-2020	<u>294,893</u>	<u>26,958</u>	<u>321,851</u>
	<u>\$ 675,632</u>	<u>\$ 116,034</u>	<u>\$ 791,666</u>

NOTE 10: RISK MANAGEMENT

The County participates in the New Mexico Self-Insurers Fund for medical insurance coverage for their employees. Commercial Insurance covers all other losses. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. There are no claim liabilities at year end.

NOTE 11: RETIREMENT PLAN

All of the County's full time employees participate in a defined benefit contributory retirement plan through the Public Employees' Retirement Act (PERA) of the State of New Mexico, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123.

De Baca County coverage requires them to contribute 9.15% of regular employee's gross wages and 18.5% of law enforcement personnel's gross wages. Regular employees were required to contribute 9.15% of their gross wages and law enforcement personnel were required to contribute 16.3% of their gross wages. The contribution requirements of plan member and De Baca County are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The total contributions to PERA for the years ending June 2011, 2010, and 2009 were \$191,807, \$176,981 and \$159,527 respectively.

NOTE 12: POST-EMPLOYMENT BENEFITS

The Retiree Health Care Act (Chapter 10, Article 7C NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The County has elected not to participate in the program by adoption of an ordinance.

NOTE 13: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual.

Reconciliations are located at the bottom of each budget actual statement.

NOTE 14: BUDGET VIOLATIONS

The County had budget overruns in the Transfer Station Fund \$(76), County Reserve Fund \$(3,763), Lake Sumner Fire Fund \$(37,983), Valley Fire Fund \$(51,063), Sheriffs JPA Fund \$(3,794), Correction Fees Funds \$(37,618), Misdemeanor Compensation Fund \$(15), and Court House Fund \$(911).

NOTE 15: INDUSTRIAL REVENUE BONDS

In a prior year the County issued industrial revenue bonds pursuant to the County Industrial Revenue Bond Act, Section 4-59-1 through 4-59-16, NMSA, 1978, as amended. As defined in the statute, the bonds and interest coupons, if any, issued under the authority of the County Industrial Revenue Bond Act will never constitute an indebtedness of the County. These bonds were issued to finance the acquisition, construction and equipping of a wind farm for the purpose of generating electricity.

NOTE 16: LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and Federal laws and regulations require that the County place a final cover on its landfill site and perform certain maintenance and monitoring functions at the landfill site for a minimum of thirty years after closure. In addition to operating expenses related to current activities of the landfill site, an expenses provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure costs is based on the amount of the landfill used during the year.

The landfill is operated on property owned by the Village of Fort Sumner. The County and the Village are accumulating funds, through the imposition of a gross receipts tax, to fund the closure and post closure care cost. The monies accumulated by the County are \$20,979.

The landfill is to be closed in the near future, based on the requirements of the New Mexico Environment Department. The estimated liability for the landfill closure and post-closure care cost is \$736,500 as of June 30, 2011, which is based on a total usage of the landfill. The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfills were acquired as of June 30, 2011. However, post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 17: FEDERAL AND STATE GRANTS

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

NOTE 18: NET ASSET RESTATEMENT

Net Assets were restated for the addition of capital assets and accumulated depreciation \$429,086. The equipment from the Communication Department that had been paid by the State in a grant was added to the depreciation schedule.

NOTE 19: COMPONENT UNIT

The De Baca Family Practice Clinic is a business-type component unit of the County. The Clinic issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to De Baca Family Practice Clinic, PO Box 349, Fort Sumner, New Mexico 88119.

The Sunnyside Child Development Center began business May 2008. The Center is a component unit of the County. An audit has not been performed and is not included in the County's financial statements as required by GASB 14 and 39. The Center is immaterial in accordance with OSA 2.2.10 (A) A1)(b). Information can be obtained by writing to Sunnyside Child Development Center P.O. Box 133, Fort Sumner, New Mexico 88119.

NOTE 20: DEFICIT FUND BALANCE

The following funds had a deficit fund balance at the end of the fiscal year, Capital Projects Transfer Station Fund \$(129,896).

STATE OF NEW MEXICO
DE BACA COUNTY
 CAPITAL PROJECTS FUND-TRANSFER STATION
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 217,621	\$ 217,621	\$ 87,801	\$ (129,820)
Total Revenues	<u>217,621</u>	<u>217,621</u>	<u>87,801</u>	<u>(129,820)</u>
Expenditures				
Public Works				
Capital Outlay	193,727	193,727	193,803	(76)
Total Expenditures	<u>193,727</u>	<u>193,727</u>	<u>193,803</u>	<u>(76)</u>
Excess (Deficiency) of Revenues Over Expenditures	23,894	23,894	(106,002)	(129,896)
Cash Balance Beginning of Year	<u>(23,894)</u>	<u>(23,894)</u>	<u>(23,894)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(129,896)</u>	\$ <u>(129,896)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (106,002)	
Net Change in Due from Grantor			<u>129,896</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>23,894</u>	

The notes to the financial statements are an integral part of this statement.

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR GOVERNMENTAL FUNDS

Reappraisal Fund

To account for the operations of a fund to help with reappraisal of County property to insure valuation reflects current fair market value. Financing is provided by 1% of tax collections. Authority is Section 7-38-38.1, NMSA 1978.

Recording & Equipment Fund

To account for monies collected by the County Clerk's office for each instrument recorded and when the instrument is photocopied, the County Clerk may charge, in addition to any other fees authorized by law, and equipment recording fee. The equipment recording fee revenues are to be expended only to rent, purchase, lease or lease-purchase equipment associated with recording, filing, maintaining or reproducing document in the County Clerk's office and for staff training on office procedures and equipment. Authority is the Absentee-Early Voting Act (Section 14-8-12.2, NMSA 1978).

County Reserve Fund

To account for 1/8% County gross receipts tax, authorized to be imposed under the County Gross receipts tax, authorized to be imposed under the County Gross Receipts Tax Act (Sections 7-20E-1 through 7-20E-25, NMSA 1978), the proceeds of which will be expended for maintenance of the County Courthouse, imposed before 1986.

Lake Sumner Fire Fund

To account for the operations and maintenance of the fire department servicing the Lake Sumner area. Financing is primarily from an annual state fire allotment. The fund was created by the authority of state grant provisions. (NMSA 59A-53-1)

Lake Sumner Forestry Fire Fund

To account for forestry funds received for fighting wild fires. The fund was created by County ordinance.

Valley Fire Fund

To account for the operations and maintenance of the fire department servicing the Valley area. Financing is primarily from an annual state fire allotment. The fund was created by the authority of state grant provisions. (NMSA 59A-53-1)

Valley Forestry Fire Fund

To account for forestry funds received for fighting wild fires. The fund was created by County ordinance.

Lake Sumner EMS Fund

To account for a grant from the State of New Mexico to be used for the acquisition of emergency medical services to County resident. Sources of funds are the State of New Mexico Health Department Emergency Medical Services Bureau. Authority is Section 24-10A-1 through 10, NMSA 1978.

Ambulance Fund

To account for 1-4% County fire protection excise tax imposed by the ordinance of the Board of County Commissioners of De Baca County under authority of Section 7-20A-3, NMSA 1978, the proceeds of which are dedicated solely to the provision of ambulance services, imposed before 1986. Authority is provided by state provisions.

NONMAJOR GOVERNMENTAL FUNDS

Communications

To account for expenditures for the Communication Department for the purpose of dispatching public safety personnel and equipment in emergencies. The fund was created by County ordinance.

Enhanced 911 Grant Fund

To account for state grants to provide enhanced 911 service to County residents. Authority is NMSA 6-1-6.

Emergency Management Fund

To account for a matching state grant to provide part time personnel for emergency management. Authority is provided by grant agreement.

Law Enforcement Fund

To account for a grant from the State of New Mexico Correction Department through the Law Enforcement Protection Act. The funding is to be used for law enforcement improvements. Authority is 29-13-1, NMSA 1978.

Sheriffs JPA Fund

The County entered into a joint powers agreement to provide law enforcement services for the Village of Fort Sumner. The fund was created by County ordinance.

DARE Fund

Authorized by Section 31-20-6, NMSA 1978 to account for contribution collected from law violators. These contributions are made as directed by Magistrate Judge.

Correction Fund

Authorized by Section 33.3.25, NMSA, 1978 Compilation, to be used for the maintenance and operation of the County Jail, including training, construction thereof, cost of housing County prisoners, and/or as matching funds for federal grants as these funds relate to jails.

Canteen Fund

To account for telephone commission to be used for the benefit of prisoners (usually purchase of cable television). Authorized by County Resolution.

Misdemeanor Compensation Fund

To account for a fee received from citizens on probation to fund the probation office. The fund was created by resolution.

Farm & Range Fund

To account for the operations of farm and range activities, including soil and water conservation, predatory animal and insect control. Financing is provided from distributions made under the Taylor Grazing Act. Authority is Section 6-11-6, NMSA 1978.

County Environmental Fund

To account for environmental services gross receipts tax to be used to cover expenses associated with landfills, water systems and other environmental services. Authority for creation of this fund is contained in Resolution R-96-31.

NONMAJOR GOVERNMENTAL FUNDS

Transfer Station Fund

To account for a monthly fee charged to all residents of the County for the upkeep of the transfer station area.

Beautification Grant Fund

To account for the up keeping and beautification of the County and communities located within the County. Funding is provided by a state grant and the fund was created b the authority of state grant provisions.

Health Grant Fund

To account for a grant from the New Mexico Department of Health-Public Health Division. Funding is provided by a state grant and authority is provided by state grant provisions.

County Indigent Fund

To account for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute Section 7-20E-9, NMSA 1978 Compilation.

Flu Pandemic Fund

To account for the purchase of flu vaccine made available in the event that the community should have a pandemic flu outbreak. Funding is provided by state funds and authority is based on state provisions.

Hospital Fund

To account for monies received from prior patients and Medicare reimbursements to be used for the upkeep of the clinic building. Authorized by County Resolution.

Capital Outlay

Court House Grant Fund

To account for expenditures modernizing the court house funded by Legislative Appropriations. Authority is provided by state provisions.

Fair Ground Fund

To account for grants received for the purpose of improving the fair ground facilities.

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Reappraisal Fund	Recording & Equipment Fund	County Reserve Fund
ASSETS			
Cash and Cash Equivalents	\$ 31,019	\$ 1,898	\$ 22,929
Receivables			
Taxes	0	0	194
Interfund Balance	0	0	0
Due from Grantor	0	0	0
Restricted Cash	0	0	1,949
Total Assets	<u>\$ 31,019</u>	<u>\$ 1,898</u>	<u>\$ 25,072</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	31,019	1,898	25,072
Capital Projects	0	0	0
Total Fund Balance	<u>31,019</u>	<u>1,898</u>	<u>25,072</u>
Total Liabilities and Fund Balance	<u>\$ 31,019</u>	<u>\$ 1,898</u>	<u>\$ 25,072</u>

The notes to the financial statements are an

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Lake Sumner Fire Fund	Lake Sumner Forestry Fund	Valley Fire Fund
ASSETS			
Cash and Cash Equivalents	\$ 9,831	\$ 28,342	\$ 103,725
Receivables			
Taxes	0	0	
Interfund Balance	0	0	0
Due from Grantor	0	0	0
Restricted Cash	1,910	0	0
Total Assets	<u>\$ 11,741</u>	<u>\$ 28,342</u>	<u>\$ 103,725</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 3,510	\$ 0	\$ 0
Total Liabilities	<u>3,510</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	8,231	28,342	103,725
Capital Projects	0	0	0
Total Fund Balance	<u>8,231</u>	<u>28,342</u>	<u>103,725</u>
Total Liabilities and Fund Balance	<u>\$ 11,741</u>	<u>\$ 28,342</u>	<u>\$ 103,725</u>

The notes to the financial statements are an

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Valley Forestry Fire Fund	Lake Sumner EMS Fund	Ambulance Fund
ASSETS			
Cash and Cash Equivalents	\$ 21,772	\$ 7,624	\$ 2,574
Receivables			
Taxes		0	971
Interfund Balance	0	0	0
Due from Grantor	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 21,772</u>	<u>\$ 7,624</u>	<u>\$ 3,545</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	21,772	7,624	3,545
Capital Projects	0	0	0
Total Fund Balance	<u>21,772</u>	<u>7,624</u>	<u>3,545</u>
Total Liabilities and Fund Balance	<u>\$ 21,772</u>	<u>\$ 7,624</u>	<u>\$ 3,545</u>

The notes to the financial statements are an

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Communications Fund	Enhanced 911 Grant Fund	Emergency Management Fund
ASSETS			
Cash and Cash Equivalents	\$ 39,475	\$ 0	\$ 1,502
Receivables			
Taxes	5,254	0	0
Interfund Balance	0	0	0
Due from Grantor	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 44,729</u>	<u>\$ 0</u>	<u>\$ 1,502</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	44,729	0	1,502
Capital Projects	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>44,729</u>	<u>0</u>	<u>1,502</u>
Total Liabilities and Fund Balance	<u>\$ 44,729</u>	<u>\$ 0</u>	<u>\$ 1,502</u>

The notes to the financial statements are an

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Law Enforcement Fund	Sheriffs JPA	DARE
ASSETS			
Cash and Cash Equivalents	\$ 7,366	\$ 2,729	\$ 1,094
Receivables			
Taxes	0	0	0
Interfund Balance	0	0	0
Due from Grantor	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 7,366</u>	<u>\$ 2,729</u>	<u>\$ 1,094</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	7,366	2,729	1,094
Capital Projects	0	0	0
Total Fund Balance	<u>7,366</u>	<u>2,729</u>	<u>1,094</u>
Total Liabilities and Fund Balance	<u>\$ 7,366</u>	<u>\$ 2,729</u>	<u>\$ 1,094</u>

The notes to the financial statements are an

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Corrections	Canteen	Misdemeanor Compensation
ASSETS			
Cash and Cash Equivalents	\$ 5,954	\$ 1,114	\$ 687
Receivables			
Taxes	2,628	0	0
Interfund Balance	0	0	0
Due from Grantor	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 8,582</u>	<u>\$ 1,114</u>	<u>\$ 687</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 2,164	\$ 0	\$ 0
Total Liabilities	<u>2,164</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	6,418	1,114	687
Capital Projects	0	0	0
Total Fund Balance	<u>6,418</u>	<u>1,114</u>	<u>687</u>
Total Liabilities and Fund Balance	<u>\$ 8,582</u>	<u>\$ 1,114</u>	<u>\$ 687</u>

The notes to the financial statements are an

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Farm & Range	County Environmental	Transfer Station
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 20,979	\$ 16,227
Receivables			
Taxes	0	485	0
Interfund Balance	0	0	0
Due from Grantor	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 21,464</u>	<u>\$ 16,227</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 1,799	\$ 0
Total Liabilities	<u>0</u>	<u>1,799</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	0	19,665	16,227
Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>19,665</u>	<u>16,227</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 21,464</u>	<u>\$ 16,227</u>

The notes to the financial statements are an

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Beautification Grant	Health Grant	County Indigent
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 20,891	\$ 102,274
Receivables			
Taxes	0	0	2,567
Interfund Balance	0	0	0
Due from Grantor	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 20,891</u>	<u>\$ 104,841</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	0	20,891	104,841
Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>20,891</u>	<u>104,841</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 20,891</u>	<u>\$ 104,841</u>

The notes to the financial statements are an

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		Capital Outlay
	Flu Pandemic	Hospital	Court House Grant
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 148,430	\$ 0
Receivables			
Taxes	0	0	0
Interfund Balance	0	0	0
Due from Grantor	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 148,430</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	0	148,430	0
Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>148,430</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 148,430</u>	<u>\$ 0</u>

The notes to the financial statements are an

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	<u>Capital Outlay</u>	
	<u>Fair Ground</u>	<u>Total</u>
ASSETS		
Cash and Cash Equivalents	\$ 0	\$ 598,436
Receivables		
Taxes	0	12,099
Interfund Balance	0	0
Due from Grantor	0	0
Restricted Cash	0	3,859
Total Assets	<u>\$ 0</u>	<u>\$ 614,394</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	<u>\$ 0</u>	<u>\$ 7,473</u>
Total Liabilities	<u>0</u>	<u>7,473</u>
Fund Balance		
Restricted, reported in		
Special Revenue Fund	0	606,921
Capital Projects	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>606,921</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 614,394</u>

The notes to the financial statements are an

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	Reappraisal Fund	Recording & Equipment Fund	County Reserve Fund
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 6,909
Federal Grants	0	0	0
State and Local Grants	0	0	0
Joint Powers Agreements	0	0	0
Charges for Service	17,113	2,279	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>17,113</u>	<u>2,279</u>	<u>6,909</u>
Expenditures			
Current			
General Government	11,639	2,648	0
Public Safety	0	0	0
Public Works	0	0	0
Health & Welfare	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	5,237
Interest	0	0	126
Total Expenditures	<u>11,639</u>	<u>2,648</u>	<u>5,363</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,474</u>	<u>(369)</u>	<u>1,546</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	5,474	(369)	1,546
Fund Balances at Beginning of Year	<u>25,545</u>	<u>2,267</u>	<u>23,526</u>
Fund Balance End of Year	<u>\$ 31,019</u>	<u>\$ 1,898</u>	<u>\$ 25,072</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	Lake Sumner Fire Fund	Lake Sumner Forestry Fund	Valley Fire Fund
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	0	0
State and Local Grants	70,210	0	109,966
Joint Powers Agreements	0	0	0
Charges for Service	0	9,025	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	1,928	0	135
Total Revenues	<u>72,138</u>	<u>9,025</u>	<u>110,101</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	66,300	3,706	38,153
Public Works	0	0	0
Health & Welfare	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	22,038	0	74,150
Interest	3,267	0	255
Total Expenditures	<u>91,605</u>	<u>3,706</u>	<u>112,558</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(19,467)</u>	<u>5,319</u>	<u>(2,457)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	(19,467)	5,319	(2,457)
Fund Balances at Beginning of Year	<u>27,698</u>	<u>23,023</u>	<u>106,182</u>
Fund Balance End of Year	<u>\$ 8,231</u>	<u>\$ 28,342</u>	<u>\$ 103,725</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	Valley Forestry Fire Fund	Lake Sumner EMS Fund	Ambulance Fund
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 14,507
Federal Grants	0	0	0
State and Local Grants	0	7,501	0
Joint Powers Agreements	0	0	0
Charges for Service	30,722	0	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	355	0	0
Total Revenues	<u>31,077</u>	<u>7,501</u>	<u>14,507</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	771	2,822	15,047
Public Works	0	0	0
Health & Welfare	0	0	0
Capital Outlay	10,000	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>10,771</u>	<u>2,822</u>	<u>15,047</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>20,306</u>	<u>4,679</u>	<u>(540)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	20,306	4,679	(540)
Fund Balances at Beginning of Year	<u>1,466</u>	<u>2,945</u>	<u>4,085</u>
Fund Balance End of Year	<u>\$ 21,772</u>	<u>\$ 7,624</u>	<u>\$ 3,545</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	Communications Fund	Enhanced 911 Grant Fund	Emergency Management Fund
Revenues			
Taxes			
Gross Receipts	\$ 58,803	\$ 0	\$ 0
Federal Grants	0	0	1,502
State and Local Grants	0	141,695	0
Joint Powers Agreements	20,400	0	0
Charges for Service	0	0	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	0	1,237	0
Total Revenues	<u>79,203</u>	<u>142,932</u>	<u>1,502</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	200,435	116,967	0
Public Works	0	0	0
Health & Welfare	0	0	0
Capital Outlay	0	24,728	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>200,435</u>	<u>141,695</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(121,232)</u>	<u>1,237</u>	<u>1,502</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>163,186</u>	<u>(2,020)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>163,186</u>	<u>(2,020)</u>	<u>0</u>
Net Changes in Fund Balance	41,954	(783)	1,502
Fund Balances at Beginning of Year	<u>2,775</u>	<u>783</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 44,729</u>	<u>\$ 0</u>	<u>\$ 1,502</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	Law Enforcement Fund	Sheriffs JPA	DARE
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	0	0
State and Local Grants	21,800	0	0
Joint Powers Agreements	0	101,775	0
Charges for Service	0	0	0
Fines & Forfeitures	0	0	1,502
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>21,800</u>	<u>101,775</u>	<u>1,502</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	18,574	124,064	2,500
Public Works	0	0	0
Health & Welfare	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>18,574</u>	<u>124,064</u>	<u>2,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,226</u>	<u>(22,289)</u>	<u>(998)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	3,226	(22,289)	(998)
Fund Balances at Beginning of Year	<u>4,140</u>	<u>25,018</u>	<u>2,092</u>
Fund Balance End of Year	<u>\$ 7,366</u>	<u>\$ 2,729</u>	<u>\$ 1,094</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	Corrections	Canteen	Misdemeanor Compensation
Revenues			
Taxes			
Gross Receipts	\$ 29,672	\$ 0	\$ 0
Federal Grants	0	0	0
State and Local Grants	0	0	0
Joint Powers Agreements	0	0	0
Charges for Service	0	0	0
Fines & Forfeitures	30,684	0	2,665
Interest Income	0	0	0
Miscellaneous	1,534	0	0
Total Revenues	<u>61,890</u>	<u>0</u>	<u>2,665</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	327,610	845	2,532
Public Works	0	0	0
Health & Welfare	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>327,610</u>	<u>845</u>	<u>2,532</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(265,720)</u>	<u>(845)</u>	<u>133</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>258,020</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>258,020</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	(7,700)	(845)	133
Fund Balances at Beginning of Year	<u>14,118</u>	<u>1,959</u>	<u>554</u>
Fund Balance End of Year	<u>\$ 6,418</u>	<u>\$ 1,114</u>	<u>\$ 687</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	Farm & Range	County Environmental	Transfer Station
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 7,254	\$ 0
Federal Grants	6,286	0	0
State and Local Grants	0	0	0
Joint Powers Agreements	0	2,135	0
Charges for Service	0	0	10,533
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	0	2,557	5,694
Total Revenues	<u>6,286</u>	<u>11,946</u>	<u>16,227</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	0	0	0
Public Works	32,000	24,486	0
Health & Welfare	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>32,000</u>	<u>24,486</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(25,714)</u>	<u>(12,540)</u>	<u>16,227</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>27,767</u>	<u>450</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>27,767</u>	<u>450</u>	<u>0</u>
Net Changes in Fund Balance	2,053	(12,090)	16,227
Fund Balances at Beginning of Year	<u>(2,053)</u>	<u>31,755</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 19,665</u>	<u>\$ 16,227</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		
	Beautification Grant	Health Grant	County Indigent
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 28,977
Federal Grants	0	0	0
State and Local Grants	0	15,524	0
Joint Powers Agreements	0	0	0
Charges for Service	0	0	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>15,524</u>	<u>28,977</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Health & Welfare	0	23,580	13,663
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>23,580</u>	<u>13,663</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(8,056)</u>	<u>15,314</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>(8)</u>	<u>5,845</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(8)</u>	<u>5,845</u>	<u>0</u>
Net Changes in Fund Balance	(8)	(2,211)	15,314
Fund Balances at Beginning of Year	<u>8</u>	<u>23,102</u>	<u>89,527</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 20,891</u>	<u>\$ 104,841</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue Funds		Capital Outlay
	Flu Pandemic	Hospital	Court House Grant
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	0	0
State and Local Grants	0	0	427
Joint Powers Agreements	0	0	0
Charges for Service	0	0	0
Fines & Forfeitures	0	0	0
Interest Income	0	1,078	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>1,078</u>	<u>427</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Health & Welfare	0	0	0
Capital Outlay	0	0	52,633
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>52,633</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>1,078</u>	<u>(52,206)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>(5,845)</u>	<u>0</u>	<u>1,513</u>
Total Other Financing Sources (Uses)	<u>(5,845)</u>	<u>0</u>	<u>1,513</u>
Net Changes in Fund Balance	(5,845)	1,078	(50,693)
Fund Balances at Beginning of Year	<u>5,845</u>	<u>147,352</u>	<u>50,693</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 148,430</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	<u>Capital Outlay</u>	
	<u>Fair Ground</u>	<u>Total</u>
Revenues		
Taxes		
Gross Receipts	\$ 0	\$ 146,122
Federal Grants	0	7,788
State and Local Grants	0	367,123
Joint Powers Agreements	0	124,310
Charges for Service	0	69,672
Fines & Forfeitures	0	34,851
Interest Income	0	1,078
Miscellaneous	0	13,440
Total Revenues	<u>0</u>	<u>764,384</u>
Expenditures		
Current		
General Government	0	14,287
Public Safety	0	920,326
Public Works	0	56,486
Health & Welfare	0	37,243
Capital Outlay	34,958	122,319
Debt Service		
Principal	0	101,425
Interest	0	3,648
Total Expenditures	<u>34,958</u>	<u>1,255,734</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(34,958)</u>	<u>(491,350)</u>
Other Financing Sources (Uses)		
Transfers In/(Out)	30	448,938
Total Other Financing Sources (Uses)	<u>30</u>	<u>448,938</u>
Net Changes in Fund Balance	(34,928)	(42,412)
Fund Balances at Beginning of Year	<u>34,928</u>	<u>649,333</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 606,921</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-REAPPRAISAL FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge for Services	\$ 14,000	\$ 14,000	\$ 17,113	\$ 3,113
Total Revenues	<u>14,000</u>	<u>14,000</u>	<u>17,113</u>	<u>3,113</u>
Expenditures				
General Government				
Personnel Services	10,984	10,984	10,283	701
Operating Expenses	<u>9,150</u>	<u>9,150</u>	<u>1,462</u>	<u>7,688</u>
Total Expenditures	<u>20,134</u>	<u>20,134</u>	<u>11,745</u>	<u>8,389</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,134)	(6,134)	5,368	11,502
Cash Balance Beginning of Year	<u>25,651</u>	<u>25,651</u>	<u>25,651</u>	<u>0</u>
Cash Balance End of Year	\$ <u>19,517</u>	\$ <u>19,517</u>	\$ <u>31,019</u>	\$ <u>11,502</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,368	
Net Change in Accrued Payroll			<u>106</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>5,474</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-RECORDING & EQUIPMENT FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge For Services	\$ 1,500	\$ 1,500	\$ 2,279	\$ 779
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>2,279</u>	<u>779</u>
Expenditures				
General Government				
Operating Expenses	<u>3,000</u>	<u>3,000</u>	<u>2,648</u>	<u>352</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>2,648</u>	<u>352</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,500)	(1,500)	(369)	1,131
Cash Balance Beginning of Year	<u>2,267</u>	<u>2,267</u>	<u>2,267</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>767</u></u>	\$ <u><u>767</u></u>	\$ <u><u>1,898</u></u>	\$ <u><u>1,131</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(369)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>(369)</u></u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-COUNTY RESERVE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 1,600	\$ 1,600	\$ 7,247	\$ 5,647
Total Revenues	<u>1,600</u>	<u>1,600</u>	<u>7,247</u>	<u>5,647</u>
Expenditures				
General Government				
Operating Expenses	1,600	1,600	0	1,600
Debt Service				
Principal	0	0	5,237	(5,237)
Interest & Fees	<u>0</u>	<u>0</u>	<u>126</u>	<u>(126)</u>
Total Expenditures	<u>1,600</u>	<u>1,600</u>	<u>5,363</u>	<u>(3,763)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	1,884	1,884
Cash Balance Beginning of Year	<u>22,994</u>	<u>22,994</u>	<u>22,994</u>	<u>0</u>
Cash Balance End of Year	\$ <u>22,994</u>	\$ <u>22,994</u>	\$ <u>24,878</u>	\$ <u>1,884</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,884	
Net Change in Taxes Receivable			<u>(338)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,546</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-LAKE SUMNER FIRE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 70,210	\$ 70,210	\$ 70,210	\$ 0
Miscellaneous	<u>0</u>	<u>0</u>	<u>1,928</u>	<u>1,928</u>
Total Revenues	<u>70,210</u>	<u>70,210</u>	<u>72,138</u>	<u>1,928</u>
Expenditures				
Public Safety				
Operating Expenses	31,183	31,183	67,161	(35,978)
Capital Outlay	0	0	0	0
Debt Services				
Principal	15,000	15,000	22,038	(7,038)
Interest	<u>8,300</u>	<u>8,300</u>	<u>3,267</u>	<u>5,033</u>
Total Expenditures	<u>54,483</u>	<u>54,483</u>	<u>92,466</u>	<u>(37,983)</u>
Excess (Deficiency) of Revenues Over Expenditures	15,727	15,727	(20,328)	(36,055)
Cash Balance Beginning of Year	<u>32,069</u>	<u>32,069</u>	<u>32,069</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 47,796</u>	<u>\$ 47,796</u>	<u>\$ 11,741</u>	<u>\$ (36,055)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (20,328)	
Net Change in Accounts Payable			<u>861</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (19,467)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-LAKE SUMNER FORESTRY FIRE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge For Services	\$ 6,000	\$ 6,000	\$ 9,025	\$ 3,025
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>9,025</u>	<u>3,025</u>
Expenditures				
Public Safety				
Operating Expenses	6,000	6,000	3,706	2,294
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>3,706</u>	<u>2,294</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	5,319	5,319
Cash Balance Beginning of Year	<u>23,023</u>	<u>23,023</u>	<u>23,023</u>	<u>0</u>
Cash Balance End of Year	\$ <u>23,023</u>	\$ <u>23,023</u>	\$ <u>28,342</u>	\$ <u>5,319</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>5,319</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>5,319</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-VALLEY FIRE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 109,966	\$ 109,966	\$ 109,966	\$ 0
Miscellaneous	0	0	135	135
Total Revenues	<u>109,966</u>	<u>109,966</u>	<u>110,101</u>	<u>135</u>
Expenditures				
Public Safety				
Operating Expenses	44,815	44,815	40,127	4,688
Capital Outlay	21,864	21,864	0	21,864
Debt Services				
Principal	18,654	18,654	74,150	(55,496)
Interest	0	0	255	(255)
Total Expenditures	<u>85,333</u>	<u>85,333</u>	<u>114,532</u>	<u>(29,199)</u>
Excess (Deficiency) of Revenues Over Expenditures	24,633	24,633	(4,431)	(29,064)
Cash Balance Beginning of Year	<u>108,156</u>	<u>108,156</u>	<u>108,156</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 132,789</u>	<u>\$ 132,789</u>	<u>\$ 103,725</u>	<u>\$ (29,064)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,431)	
Net Change in Accounts Payable			1,974	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,457)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-VALLEY FORESTRY FIRE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge For Services	\$ 11,400	\$ 11,400	\$ 30,722	\$ 19,322
Miscellaneous	0	0	355	355
Total Revenues	<u>11,400</u>	<u>11,400</u>	<u>31,077</u>	<u>19,677</u>
Expenditures				
Public Safety				
Operating Expenses	11,400	11,400	771	10,629
Capital Outlay	0	0	10,000	(10,000)
Debt Services				
Principal	0	0	0	0
Interest	0	0	0	0
Total Expenditures	<u>11,400</u>	<u>11,400</u>	<u>10,771</u>	<u>629</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	20,306	20,306
Cash Balance Beginning of Year	<u>1,466</u>	<u>1,466</u>	<u>1,466</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,466</u>	<u>\$ 1,466</u>	<u>\$ 21,772</u>	<u>\$ 20,306</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 20,306</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 20,306</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND- LAKE SUMNER EMS FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 6,750	\$ 6,750	\$ 7,501	\$ 751
Total Revenues	<u>6,750</u>	<u>6,750</u>	<u>7,501</u>	<u>751</u>
Expenditures				
Public Safety				
Operating Expenses	6,750	10,751	2,822	7,929
Total Expenditures	<u>6,750</u>	<u>10,751</u>	<u>2,822</u>	<u>7,929</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(4,001)	4,679	8,680
Cash Balance Beginning of Year	<u>2,945</u>	<u>2,945</u>	<u>2,945</u>	<u>0</u>
Cash Balance End of Year	\$ <u>2,945</u>	\$ <u>(1,056)</u>	\$ <u>7,624</u>	\$ <u>8,680</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>4,679</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>4,679</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-AMBULANCE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 11,000	\$ 11,000	\$ 14,548	\$ 3,548
Total Revenues	<u>11,000</u>	<u>11,000</u>	<u>14,548</u>	<u>3,548</u>
Expenditures				
Health & Welfare				
Operating Expenses	<u>15,100</u>	<u>15,100</u>	<u>15,047</u>	<u>53</u>
Total Expenditures	<u>15,100</u>	<u>15,100</u>	<u>15,047</u>	<u>53</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,100)	(4,100)	(499)	3,601
Cash Balance Beginning of Year	<u>3,073</u>	<u>3,073</u>	<u>3,073</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(1,027)</u>	\$ <u>(1,027)</u>	\$ <u>2,574</u>	\$ <u>3,601</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (499)	
Net Change in Taxes Receivable			<u>(41)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(540)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-COMMUNICATION FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Taxes	\$ 45,000	\$ 45,000	\$ 57,852	\$ 12,852
Joint Powers Agreements	20,400	20,400	20,400	0
Miscellaneous	0	0	0	0
Total Revenues	<u>65,400</u>	<u>65,400</u>	<u>78,252</u>	<u>12,852</u>
Expenditures				
Public Safety				
Personnel Services	201,409	201,409	178,833	22,576
Operating Expenses	20,757	20,757	24,781	(4,024)
Total Expenditures	<u>222,166</u>	<u>222,166</u>	<u>203,614</u>	<u>18,552</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(156,766)</u>	<u>(156,766)</u>	<u>(125,362)</u>	<u>31,404</u>
Other Financing Sources (Uses)				
Transfer from General & 911	161,166	161,166	163,186	(2,020)
Total Other Sources (Uses)	<u>161,166</u>	<u>161,166</u>	<u>163,186</u>	<u>(2,020)</u>
Net Changes in Cash Balance	4,400	4,400	37,824	33,424
Cash Balance Beginning of Year	<u>1,651</u>	<u>1,651</u>	<u>1,651</u>	<u>0</u>
Cash Balance End of Year	\$ <u>6,051</u>	\$ <u>6,051</u>	\$ <u>39,475</u>	\$ <u>33,424</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ 37,824	
Net Change in Taxes Receivable			952	
Net Change in Accounts Payable			570	
Net Change in Accrued Payroll			2,608	
Net Changes in Fund Balances-GAAP Basis			<u>\$ 41,954</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-ENHANCED 911 GRANT FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 328,411	\$ 328,411	\$ 141,695	\$ (186,716)
Miscellaneous	0	0	1,237	1,237
Total Revenues	<u>328,411</u>	<u>328,411</u>	<u>142,932</u>	<u>(185,479)</u>
Expenditures				
Public Safety				
Operating Expenses	328,411	328,411	116,967	211,444
Capital Outlay	0	0	24,728	(24,728)
Total Expenditures	<u>328,411</u>	<u>328,411</u>	<u>141,695</u>	<u>186,716</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>1,237</u>	<u>1,237</u>
Other Financing Sources (Uses)				
Transfer to Communications	0	0	(2,020)	2,020
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(2,020)</u>	<u>2,020</u>
Net Changes in Cash Balance	0	0	(783)	(783)
Cash Balance Beginning of Year	<u>783</u>	<u>783</u>	<u>783</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 783</u>	<u>\$ 783</u>	<u>\$ 0</u>	<u>\$ (783)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ 0	
Net Changes in Fund Balances-GAAP Basis			\$ 0	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-EMERGENCY MANAGEMENT FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 1,502	\$ 1,502
Total Revenues	<u>0</u>	<u>0</u>	<u>1,502</u>	<u>1,502</u>
Expenditures				
Public Safety				
Operating Expenses	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	1,502	1,502
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,502</u>	<u>\$ 1,502</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>1,502</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,502</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-LAW ENFORCEMENT FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 21,800	\$ 21,800	\$ 21,800	\$ 0
Total Revenues	<u>21,800</u>	<u>21,800</u>	<u>21,800</u>	<u>0</u>
Expenditures				
Public Safety				
Operating Expenses	26,263	26,263	18,934	7,329
Total Expenditures	<u>26,263</u>	<u>26,263</u>	<u>18,934</u>	<u>7,329</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,463)	(4,463)	2,866	7,329
Cash Balance Beginning of Year	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>0</u>
Cash Balance End of Year	\$ <u>37</u>	\$ <u>37</u>	\$ <u>7,366</u>	\$ <u>7,329</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,866	
Net Change in Accounts Payable			<u>360</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>3,226</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-SHERIFFS JPA FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 101,270	\$ 101,270	\$ 101,775	\$ 505
Total Revenues	<u>101,270</u>	<u>101,270</u>	<u>101,775</u>	<u>505</u>
Expenditures				
Public Safety				
Personnel Services	110,852	110,852	91,711	19,141
Operating Expenses	<u>9,418</u>	<u>9,418</u>	<u>32,353</u>	<u>(22,935)</u>
Total Expenditures	<u>120,270</u>	<u>120,270</u>	<u>124,064</u>	<u>(3,794)</u>
Excess (Deficiency) of Revenues Over Expenditures	(19,000)	(19,000)	(22,289)	(3,289)
Cash Balance Beginning of Year	<u>25,018</u>	<u>25,018</u>	<u>25,018</u>	<u>0</u>
Cash Balance End of Year	\$ <u>6,018</u>	\$ <u>6,018</u>	\$ <u>2,729</u>	\$ <u>(3,289)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(22,289)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(22,289)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-DARE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fines	\$ 2,500	\$ 2,500	\$ 1,502	\$ (998)
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>1,502</u>	<u>(998)</u>
Expenditures				
Public Safety				
Operating Expenses	2,500	2,500	2,500	0
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(998)	(998)
Cash Balance Beginning of Year	<u>2,092</u>	<u>2,092</u>	<u>2,092</u>	<u>0</u>
Cash Balance End of Year	\$ <u>2,092</u>	\$ <u>2,092</u>	\$ <u>1,094</u>	\$ <u>(998)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (998)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(998)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-CORRECTION FEES FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Taxes	\$ 28,000	\$ 28,000	\$ 29,207	\$ 1,207
Fees	29,000	29,000	30,684	(1,684)
Miscellaneous	0	0	1,534	(1,534)
Total Revenues	<u>57,000</u>	<u>57,000</u>	<u>61,425</u>	<u>(2,011)</u>
Expenditures				
Public Safety				
Personnel Services	203,316	203,316	225,002	(21,686)
Operating Expenses	<u>86,233</u>	<u>86,233</u>	<u>102,165</u>	<u>(15,932)</u>
Total Expenditures	<u>289,549</u>	<u>289,549</u>	<u>327,167</u>	<u>(37,618)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(232,549)</u>	<u>(232,549)</u>	<u>(265,742)</u>	<u>(33,193)</u>
Other Financing Sources (Uses)				
Transfer from General	<u>232,589</u>	<u>232,589</u>	<u>258,020</u>	<u>25,431</u>
Total Other Sources (Uses)	<u>232,589</u>	<u>232,589</u>	<u>258,020</u>	<u>25,431</u>
Net Changes in Cash Balance	40	40	(7,722)	(7,762)
Cash Balance Beginning of Year	<u>13,676</u>	<u>13,676</u>	<u>13,676</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 13,716</u>	<u>\$ 13,716</u>	<u>\$ 5,954</u>	<u>\$ (7,762)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (7,722)	
Net Change in Taxes Receivable			465	
Net Change in Accrued Payroll			(443)	
Net Changes in Fund Balances-GAAP Basis			<u>\$ (7,700)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-CANTEEN FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Miscellaneous	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Public Safety				
Operating Expenses	2,000	2,000	845	1,155
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>845</u>	<u>1,155</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,000)	(2,000)	(845)	1,155
Cash Balance Beginning of Year	<u>1,959</u>	<u>1,959</u>	<u>1,959</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(41)</u>	\$ <u>(41)</u>	\$ <u>1,114</u>	\$ <u>1,155</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(845)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(845)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-MISDEMEANOR COMPENSATION FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fines	\$ 2,517	\$ 2,517	\$ 2,665	\$ 148
Total Revenues	<u>2,517</u>	<u>2,517</u>	<u>2,665</u>	<u>148</u>
Expenditures				
Public Safety				
Operating Expenses	2,517	2,517	2,532	(15)
Total Expenditures	<u>2,517</u>	<u>2,517</u>	<u>2,532</u>	<u>(15)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	133	133
Cash Balance Beginning of Year	<u>554</u>	<u>554</u>	<u>554</u>	<u>0</u>
Cash Balance End of Year	\$ <u>554</u>	\$ <u>554</u>	\$ <u>687</u>	\$ <u>133</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>133</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>133</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-FARM & RANGE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 6,252	\$ 6,252	\$ 6,286	\$ 34
Total Revenues	<u>6,252</u>	<u>6,252</u>	<u>6,286</u>	<u>34</u>
Expenditures				
Public Works				
Operating Expenses	32,000	32,000	32,000	0
Total Expenditures	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(25,748)</u>	<u>(25,748)</u>	<u>(25,714)</u>	<u>34</u>
Other Financing Sources (Uses)				
Transfer from General Fund	25,748	25,748	27,767	2,019
Total Other Sources (Uses)	<u>25,748</u>	<u>25,748</u>	<u>27,767</u>	<u>2,019</u>
Net Change in Cash Balance	0	0	2,053	2,053
Cash Balance Beginning of Year	<u>(2,053)</u>	<u>(2,053)</u>	<u>(2,053)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (2,053)</u>	<u>\$ (2,053)</u>	<u>\$ 0</u>	<u>\$ 2,053</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ 2,053	
Net Changes in Fund Balances-GAAP Basis			\$ 2,053	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-COUNTY ENVIRONMENTAL FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 6,000	\$ 6,000	\$ 7,274	\$ 1,274
Joint Powers Agreement	0	0	2,135	2,135
Miscellaneous	0	0	2,557	2,557
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>11,966</u>	<u>5,966</u>
Expenditures				
Public Works				
Operating Expenses	<u>6,000</u>	<u>30,000</u>	<u>22,686</u>	<u>7,314</u>
Total Expenditures	<u>6,000</u>	<u>30,000</u>	<u>22,686</u>	<u>7,314</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(24,000)</u>	<u>(10,720)</u>	<u>13,280</u>
Other Financing Sources (Uses)				
Transfer from General Fund	<u>0</u>	<u>0</u>	<u>450</u>	<u>450</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>450</u>	<u>450</u>
Net Change in Cash Balance	0	(24,000)	(10,270)	13,730
Cash Balance Beginning of Year	<u>31,249</u>	<u>31,249</u>	<u>31,249</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 31,249</u>	<u>\$ 7,249</u>	<u>\$ 20,979</u>	<u>\$ 13,730</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (10,270)	
Net Change in Taxes Receivable			(21)	
Net Change in Accrued Payroll			(1,799)	
Net Changes in Fund Balances-GAAP Basis			<u>\$ (12,090)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-TRANSFER STATION FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 0	\$ 0	\$ 10,533	\$ 10,533
Miscellaneous	0	0	5,694	5,694
Total Revenues	<u>0</u>	<u>0</u>	<u>16,227</u>	<u>16,227</u>
Expenditures				
Public Works				
Operating Expenses	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	16,227	16,227
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,227</u>	<u>\$ 16,227</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 16,227</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 16,227</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-BEAUTIFICATION GRANT FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Culture & Recreation				
Operating Expenses	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer to General Fund	0	0	(8)	(8)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(8)</u>	<u>(8)</u>
Net Change in Cash Balance	0	0	(8)	(8)
Cash Balance Beginning of Year	<u>8</u>	<u>8</u>	<u>8</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 0</u>	<u>\$ (8)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (8)	
Net Changes in Fund Balances-GAAP Basis			<u>\$ (8)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-HEALTH GRANT FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 15,524	\$ 15,524	\$ 15,524	\$ 0
Total Revenues	<u>15,524</u>	<u>15,524</u>	<u>15,524</u>	<u>0</u>
Expenditures				
Health & Welfare				
Personnel Services	32,971	32,971	22,601	10,370
Operating Expenses	<u>0</u>	<u>0</u>	<u>1,162</u>	<u>(1,162)</u>
Total Expenditures	<u>32,971</u>	<u>32,971</u>	<u>23,763</u>	<u>9,208</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(17,447)</u>	<u>(17,447)</u>	<u>(8,239)</u>	<u>9,208</u>
Other Financing Sources (Uses)				
Transfer from Flu Pandemic	<u>0</u>	<u>0</u>	<u>5,845</u>	<u>5,845</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>5,845</u>	<u>5,845</u>
Net Change in Cash Balance	(17,447)	(17,447)	(2,394)	15,053
Cash Balance Beginning of Year	<u>23,285</u>	<u>23,285</u>	<u>23,285</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5,838</u>	<u>\$ 5,838</u>	<u>\$ 20,891</u>	<u>\$ 15,053</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (2,394)	
Net Change in Accounts Payable			<u>183</u>	
Net Changes in Fund Balances-GAAP Basis			<u>\$ (2,211)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-COUNTY INDIGENT FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 28,000	\$ 28,000	\$ 28,537	\$ 537
Total Revenues	<u>28,000</u>	<u>28,000</u>	<u>28,537</u>	<u>537</u>
Expenditures				
Health & Welfare				
Operating Expenses	28,000	28,000	13,663	14,337
Total Expenditures	<u>28,000</u>	<u>28,000</u>	<u>13,663</u>	<u>14,337</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	14,874	14,874
Cash Balance Beginning of Year	<u>87,400</u>	<u>87,400</u>	<u>87,400</u>	<u>0</u>
Cash Balance End of Year	\$ <u>87,400</u>	\$ <u>87,400</u>	\$ <u>102,274</u>	\$ <u>14,874</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 14,874	
Net Change in Taxes Receivable			<u>440</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>15,314</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-FLU PANDEMIC FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Health & Welfare				
Operating Expenses	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer to Health	0	0	(5,845)	(5,845)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(5,845)</u>	<u>(5,845)</u>
Net Change in Cash Balance	0	0	(5,845)	(5,845)
Cash Balance Beginning of Year	<u>5,845</u>	<u>5,845</u>	<u>5,845</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5,845</u>	<u>\$ 5,845</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (5,845)	
Net Changes in Fund Balances-GAAP Basis			<u>\$ (5,845)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-HOSPITAL FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 1,078	\$ 1,078
Total Revenues	<u>0</u>	<u>0</u>	<u>1,078</u>	<u>1,078</u>
Expenditures				
Health & Welfare				
Operating Expenses	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	1,078	1,078
Cash Balance Beginning of Year	<u>147,352</u>	<u>147,352</u>	<u>147,352</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 147,352</u>	<u>\$ 147,352</u>	<u>\$ 148,430</u>	<u>\$ 1,078</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>1,078</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,078</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
 CAPITAL OUTLAY-COURT HOUSE
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 427	\$ 427
Total Revenues	<u>0</u>	<u>0</u>	<u>427</u>	<u>427</u>
Expenditures				
Public Works				
Capital Outlay	51,722	51,722	52,633	(911)
Total Expenditures	<u>51,722</u>	<u>51,722</u>	<u>52,633</u>	<u>(911)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(51,722)</u>	<u>(51,722)</u>	<u>(52,206)</u>	<u>(484)</u>
Other Financing Sources (Uses)				
Transfer from General	0	0	1,513	1,513
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>1,513</u>	<u>1,513</u>
Net Change in Cash Balance	(51,722)	(51,722)	(50,693)	1,029
Cash Balance Beginning of Year	<u>50,693</u>	<u>50,693</u>	<u>50,693</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (1,029)</u>	<u>\$ (1,029)</u>	<u>\$ 0</u>	<u>\$ 1,029</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (50,693)	
Net Changes in Fund Balances-GAAP Basis			\$ (50,693)	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
 CAPITAL OUTLAY-FAIR GROUNDS
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Public Works				
Capital Outlay	40,000	40,000	34,958	5,042
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>34,958</u>	<u>5,042</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(40,000)</u>	<u>(40,000)</u>	<u>(34,958)</u>	<u>5,042</u>
Other Financing Sources (Uses)				
Transfer from General	0	0	30	30
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>30</u>	<u>30</u>
Net Change in Cash Balance	(40,000)	(40,000)	(34,928)	5,072
Cash Balance Beginning of Year	<u>34,928</u>	<u>34,928</u>	<u>34,928</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (5,072)</u>	<u>\$ (5,072)</u>	<u>\$ 0</u>	<u>\$ 5,072</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (34,928)	
Net Changes in Fund Balances-GAAP Basis			\$ (34,928)	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
DE BACA COUNTY
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2011

E-911 Services

Participants: De Baca County and Village of Fort Sumner
Responsible Party: Village of Fort Sumner
Description: De Baca County and Village of Fort Sumner have agreed to the need for a consolidated E-911 Communications System and Law Enforcement Communications System.
Period: August 3, 2006 to June 30, 2010 with the option to renew on a year to year basis.
Project Costs: Undeterminable
County Contribution: None
Audit Responsibility: Village of Fort Sumner

De Baca County Collection Center

Participants: De Baca County and Village of Fort Sumner
Responsible Party: De Baca County and Village of Fort Sumner
Description: This agreement was entered into to exercise their common power to design, construct, operate, and maintain the De Baca County
Period: Entered into November 13, 2007 and shall run in perpetuity or until its termination.
Project Costs: Undeterminable
County Contribution: Provide funding as available from the County Environmental GRT and a county wide solid waste fee to support operations and maintenance of the collection center.
Audit Responsibility: De Baca County and Village of Fort Sumner

Law Enforcement Services

Participants: De Baca County and Village of Fort Sumner
Responsible Party: Village of Fort Sumner
Description: The agreement was entered into to maintain a law enforcement agency under the direction of the De Baca Sherriff's Department for the Village of Fort Sumner.
Period: Entered into on December 3, 2009 and shall run in perpetuity or until its termination.
Project Costs: \$50,635 per fiscal year and provide 50% of the fines generated through the Fort Sumner Municipal Court System quarterly. Any excess funds not expended will be returned to the Village of Fort Sumner.
County Contribution: Supervision and control of all Law Enforcement duties.
Audit Responsibility: De Baca County

The notes to the financial statements are an integral part of this statement.

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards*

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Commissioners of De Baca County

Mr. Balderas and Commissioners

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the General Fund and Major Special Revenue Fund, and the combining and individual funds presented as supplemental information of De Baca County (County), as of and for the year ended June 30, 2010, and have issued our report thereon dated March 27, 2012. 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.

We did not audit the financial statements of the component units, as described in our report on the County's financial statements. This report does not include the results of other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing the audit procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financial reporting; 04-01, 04-13, 07-01, 08-01, 08-02, 10-02, 11-1, 11-2, 11-3,11-4, 11-5, 11-6, 11-7, 11-8, 11-9, 11-10, 11-11, 11-12, 11-13, 11-14, 11-15, 11-16 and 11-17. 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.

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 it's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is describe in the accompanying schedule of findings and responses as item 04-01, 04-13, 4-19 07-01, 08-01, 08-02, 10-02, 11-1, 11-2, 11-3,11-4, 11-5, 11-6, 11-7, 11-8, 11-9, 11-10, 11-11, 11-12, 11-13, 11-14, 11-15, 11-16 and 11-17.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the County's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the New Mexico State Legislature and its committees, the Office of the State Auditor, the New Mexico Department of Finance and Administration, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

De'Ann Willoughby, CPA PC

March 27, 2012

STATE OF NEW MEXICO
DE BACA COUNTY
 Schedule of Findings and Responses
 For the Year Ended June 30, 2011

Prior Year Audit Findings

		<u>Status</u>
04-01	Incorrect Cash Balances	Repeated
04-13	Budget Overruns	Repeated & Modified
04-18	Capital Assets	Resolved
04-19	Late Audit Report	Repeated
05-01	Canteen Fund	Resolved
07-01	Preparation of the Audit Report	Repeated
08-01	Cash Appropriations in Excess of Available Cash Balances	Repeated & Modified
08-02	Bank Accounts - Reconciliations were not done or were incorrect	Repeated & Modified
09-02	Expenditures were more than reported in the general ledger	Resolved
10-01	Incomplete I-9s	Resolved
10-02	Bill paying issues	Repeated
10-03	County Treasurer's Property Tax Schedule	Resolved

Current Year Audit Findings

04-01 Incorrect Cash Balances - Internal Control & Compliance Condition

The County Clerks Office is not preparing quarterly reports that include the outstanding checks written by the Clerks Office. The County Treasurer does not know which checks issued by the Clerk's office are outstanding each month.

Criteria

Cash balances on reports should include all outstanding checks. This provides the reader with an accurate cash balance.

Cause

The two departments are using two different software programs. Neither department is bridging the gap by creating a reconciliation to include these outstanding checks.

Effect

Cash is being overstated. Also, because the outstanding checks are not included in expenditures, expenditures are understated.

Recommendation

The accounting process should be moved to a separate department utilizing the same software for both the recording of revenues and expenditures.

Response

The County agrees with the recommendation and intends to move forward with the establishment of a separate financial department.

04-13 Budget Overruns - Internal Control & Compliance Condition

The County had budget overruns in the Transfer Station Fund \$(76), County Reserve Fund \$(3,763), Lake Sumner Fire Fund \$(37,983), Valley Fire Fund \$(29,199), Sheriffs JPA Fund \$(3,794), Correction Fees Funs \$(37,618), Misdemeanor Compensation Fund \$(15), and Court House Fund \$(911). Which created total budget overruns of \$(135,223).

Criteria

Local governments are prohibited from "making expenditures in excess of the approved budget." §§ 6-6-6 - 11, NMSA 1978.

Cause

Budget adjustment requests were not prepared and approved by DFA. The accounting records are inadequate causing budgets to be over expended. Financial statements including budgets, expenditures to date and unexpended balances with details are not provided to department heads. This lack of oversight also contributes to over expended budgets.

Effect

In addition to violating provisions of the Laws of the State of New Mexico, the County's budget was over expended so that the County could not meet its financial obligations.

Recommendation

The County should ensure all budget adjustment requests are prepared and approved in a timely manner to comply with DFA regulations. A detailed financial report should be provided to all department heads monthly.

Response

Some bars were prepared and approved on 3-27-12. There are more needed once it is ascertained that all postings are correct. Once all corrections are made-the needed bars will be created and going forward it is the County's intent to submit bars as it becomes necessary throughout the fiscal year.

04-19 Late Audit Report - Compliance**Condition**

The audit report was not timely submitted to the State Auditor by the due date.

Criteria

All audit reports should be submitted to the State Auditor by the required due date according the State Auditors Rule 2.2.2 9 A (1) (c).

Cause

The draft copy of the component unit's audit report was submitted to Office of State Auditor on November 14, 2011 but was not approved by the Office of State Auditor and available for use until February 20, 2012.

Effect

The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, etc., do not have timely audit reports and financial statements for their review. Late audit report could have an effect on state and federal funding.

Recommendation

The County should work diligently with the component unit to receive the component unit's audit report before the County's audit report is due.

Response

The County intends to work with all component units to make sure their audits are completed in a timely manner.

07-01 Preparation of the Financial Statements - Internal Control & Compliance**Condition**

The County's employees or management do not have the qualifications and training to apply GAAP in recording their financial transaction and preparing their financial statements.

Criteria

According to the SAS 112: SAO Rule 2.2.2.8 J (4) if the auditor prepares the financial statements, it should be included as a finding.

Cause

and training to prepare the financial statements, and it has determined that it is a better use of County resources to seek outside assistance with preparing these financial reports.

Effect

By preparing financial statements on the County's behalf, the auditors are in effect auditing their own work product.

Recommendation

The County should either employ adequately qualified and trained personnel to prepare the financial statements, or seek the assistance of an independent firm.

Response

The County will continue to rely on the auditor to prepare the financials.

08-01 Cash Appropriations in Excess of Available Cash Balances - Internal Control & Compliance Condition

The County maintained a deficit budget in excess of available cash balance in the Lake Sumner EMS Fund \$(1,056), Ambulance Fund \$(1,027), Canteen Fund \$(41), Farm & Range Fund \$(2,053), Court House Fund \$(1,029) and Capital Outlay-Fair Grounds \$(5,072).

Criteria

Section 2.2.210. (P) (1), NMAC, requires all funds be budgeted by the local governing body and submitted to the DFA for approval. Cash balances re-budgeted to make up the deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Cause

The County lacks a proper procedure to ensure that sufficient beginning cash balances exist to absorb budget deficits later in the fiscal year.

Effect

The County will be required to supplement this budget deficit in this fund with cash reserves from other funds. This supplement may lead to financial difficulties and deplete the budget in other funds.

Recommendation

The County should review the budget for future years to ensure all funds have adequate budget authority for budgeted expenditures. Greater attention should be given to the budget monitoring process and the year end cash balance estimates.

Response

The County agrees with the recommendation and intends, as part of its financial overhaul to monitor these year end balances very closely.

08-02 Bank Accounts - Reconciliations were not done or were incorrect - Internal Control & Compliance Condition

(1) The Treasurer is not able to reconcile the bank statements to the general ledger. In the course of reconciling we found the deputy treasurer had duplicated a payroll clearing transaction by writing a check to the payroll clearing account as well as auto transferring the same amount. This duplication was discovered by the auditor.

(2) In 2011, the auditors found the payroll clearing account is not being reconciled to zero as required.

Criteria

"All bank accounts shall be reconciled on a monthly basis. Reconciled bank statements are to be reviewed by the business manager and/or assistant superintendent from business administration." N.M. Admin. Code tit. 6, § 20.2.14(K). "Clearing accounts shall reconcile to a zero balance at the end of each month. Bank reconciliations for clearing accounts shall be completed on a monthly basis." N.M. Admin. Cod tit. 6, § 20.2.14(G).

Cause

(1) The outstanding checks issued by the Clerk's office are not included in the Treasurer's general ledger. The Treasurer's office and the Clerk's office use different software that does not allow the outstanding checks issued by the Clerk's office to be included in the Treasurer's general ledger.

(2) The deputy treasurer transferred funds in addition to writing a check to the payroll clearing account to pay that periods direct deposit payroll. Personnel were unaware the account was not reconciling to zero when the auditor brought it to their attention.

Effect

The bank statements could not be reconciled to the general ledger. This lack of reconciliation allows an opportunity for a misappropriation of cash assets and incorrect financial reporting. Management decisions may be skewed by the incorrect financials.

Recommendation

The County must reconcile the bank statements to the general ledger. Personnel should apply adequate time to this very important process. Adjusting the general ledger to audited cash balances should resolve the past errors and provide personnel an opportunity to reconcile the statements correctly each month.

Response

The County agrees with this recommendation and intends to implement an efficient and timely reconciliation process.

10-02 Bill paying issues - Internal Control & Compliance**Condition**

(1) Out of 230 samples, 13 samples did not have the required purchase orders per policy resulting in \$44,123.65 in expenditures paid. A piece of equipment was purchased for \$27,739 with no bidding process, specs, purchase order; per procurement policy.

(2) \$545.29 in expenditures appear to be for repair work completed on a vehicle that does not appear on the County's equipment list.

(3) \$1,031.30 in expenditures for repairs and new tires on vehicles with inadequate information on the invoice as to which vehicle is being repaired (Make, model, year, VIN, etc.)

(4) \$653.91 in Lake Sumner EMS expenditures for reimbursement to a volunteer firefighter for purchase of a flat screen TV & Blu-Ray player. This is an inappropriate use of funds.

(5) A payment made to a local vendor for a charge ticket of \$19.99 does not match the invoice received in the amount of \$9.99, leaving a \$10.00 discrepancy.

(6) \$9,996.82 in expenditures for 'Announcers Stand' at fairgrounds was found to have no bids or purchase orders included in bill package.

(7) The signing of reimbursement vouchers by the County Clerk is inconsistent.

Criteria

2.20.6.7 NMAC requires an entity to have a well-documented internal control structure and ensure that it is functioning properly.

Cause

The use of purchase orders, per policy, is inconsistent.

Effect

Any purchase made without prior authorization has the potential to cause cash deficits and/or over expensing of the budget in the fund in which the purchase is recorded. In addition to budget concerns, lack of oversight and failure to follow written policies and procedures puts the County at risk for fraudulent use of County funds.

Recommendation

The purchase orders could be tied to the accounting system to assure no payments are made without purchase orders. All purchases should be reviewed and approved and evidence of such should be documented to avoid inappropriate expenditures.

Response

The County agrees with this recommendation and intends to implement an appropriate and fiscally responsible procurement policy which will include the proper purchase authorization and purchase order procedures.

11-1 Missing Information in the Financial Statements - Internal Control & Compliance

Condition

The County is not including Communications grant information in their financials, books and records. As of June 30, 2011, \$419,831.17 on 10-E-34 and \$285,785.95 on 9-E-34 was not accounted for in the financial statements for a total of \$705,617.12 understatement of revenues and expenditures.

Criteria

General accepted accounting principals dictate that all revenue and expenditures of an entity be included in the books and accounting records on the entity.

Cause

The County does not have an adequate system in place to ensure all fiscal information is accounted for on financial statements and reports.

Effect

Financial statements and reports given to the Commission for review are incorrect.

Recommendation

The information should be included in the books and records monthly, and County personnel should be adequately trained in accounting for this information.

Response

The County understands that this recommendation has been essentially implemented at the, though there is additional find tuning needed. The County intends to follow through as requested.

11-2 Grant Mismanagement - Internal Control & Compliance

Condition

During the fiscal year ended June 30, 2010, the County wrote a check and placed in their safe. The County then submitted a request for reimbursement and deposited the funds, but forgot to mail the check, which remained in the safe for 9 months.

Criteria

"A local public body may make payment within forty-five days after submission of an undisputed request for payment when grant money a source of funding" § 57-28-5, NMSA 1978. In addition to untimely payments, checks should not be held in the safe for an extended period of time.

Cause

County staff is not property trained in grant management and inadequate internal controls exist to ensure that funds are not retained for an extended period of time.

Effect

Failure to release payments in the month the payments are generated causes confusion during the monthly reconciliation process. In addition to reconciliation issues, holding checks has the potential to increase late fees with vendors.

Recommendation

Expenditures must be paid by the bank before reimbursements can be requested.

Response

The Treasurer's office put a stop to any checks being placed in the safe once it was understood that this is illegal. The County intends to make sure that the proper procedures are followed going

11-3 Payroll - Internal Control & Compliance

Condition

(1) State Unemployment 903 reports include wages of elected officials. Elected officials are not eligible for unemployment.

(2) 4 of 15 employee records sampled did not have supervisor signatures on the pay rate change forms. The auditors were unable to determine if the pay rate changes were approved.

(3) Compensated absences consisting of accrued vacation and sick leave are not being calculated correctly. The County has overpaid a total of \$7,228.73 in accrued earnings (\$4,039.47 in 2010 and \$3,189.26 in 2011).

(4) The County paid \$832.32 to an employee as contract labor instead of including them in payroll. A W-2 nor 1099 was issued.

Criteria

(1) Instructions for completing form 903A states that elected officials are not to be included on the report.

(2) NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. The body shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Public Employee Retirement Act plan application, and direct deposit authorizations.

(3) The Codification of Statements on Auditing Standards (SAS AU) paragraph 110.03 states that the financial statements are management's responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

(4) IRS (Employee Common-Law Employee) "Under common-law rules, anyone who performs services for you is your employee if you can control what will be done and how it will be done."

Cause

(1) The County is incorrectly including commissioners pay on their 903 reports and were not aware this was incorrect.

(2) Rates were changed without any documentation. A verbal comment is not adequate.

(3) The compensated absence records are not reconciled to the payroll allowing mistakes to go unnoticed. There is not adequate review on the records.

(4) Personnel were not aware that even casual labor must be included in payroll and appropriate taxes paid and reporting is necessary.

Effect

(1) Inaccurate reporting to state agencies allows charges and amounts due to be incorrect. The County is paying for unemployment for commissioners that can not be utilized.

(2) This lack of approval creates the potential for fraud or errors related to payroll.

(3) The County is not in compliance with New Mexico Statutes. The county risks paying employees at unapproved rates causing employees to be over or under paid for services rendered.

(4) The County is subject to penalties from the Internal Revenue Service.

Recommendation

The County should ensure a comprehensive internal control structure and implementation of it over the payroll function. The County should implement an effective review system to ensure all payments made, as well as any changes made are valid and accurate.

Response

As part of its financial overhaul-the County intends to put in place the proper payroll procedures as well as the proper oversight. This will be a top priority as the County makes the needed transition to a separate financial department.

11-4 Communications Between Departments Not Adequate - Internal Control & Compliance Condition

The Clerk's office, Treasurer's office and Administrator's office do not effectively communicate or provide adequate information to one another so that the County business is recorded in the most effective and efficient manner. Information being provided to commissioners is inadequate, incomplete and inaccurate.

Criteria

Even though the accounting and fiscal functions of New Mexico counties are separated between the finance office and the treasurer's office by state law, good internal controls require comparison and reconciliation on a regular basis to appropriately reflect county transactions.

Cause

Segregation by law of the accounting functions and lack of communication and team work between the two offices caused most of the issues in this report.

Effect

The lack of communication between the departments can result in inaccurate and untimely recording of transactions. In addition, the monthly reconciliation process may not be completed in a timely manner and reports sent to DFA are incorrect.

Recommendation

Although elected officials cannot be disciplined or dismissed like hired employees, all should be mature enough to work cordially to accomplish the task. So many of the issues in this report are steeped in this situation. The commissioners are attempting to make positive changes to improve the recordkeeping in the County but are thwarted by those who do not want change. Because of this issue we recommend that the County develop a system where the Treasurer will be responsible for Treasurer duties, the Clerk will be responsible for Clerk duties and an independent accounting department be established to handle accounting and financial duties.

Response

The County agrees with this recommendation and intends to move forward immediately with the formation of a separate financial department.

11-5 Inmate Trust Fund Accounts Not Properly Maintained - Internal Control & Compliance Condition

The supervisor of the Adult Detention Center performs all the receipting, depositing, and disbursement duties and functions without review by another party. In addition, bank reconciliations were being prepared, but they are not reconciled to the control account to determine if the amount is correct. The Trust fund accounts lack sufficient oversight.

Criteria

The County has a fiduciary responsibility to maintain funds for the benefit of specific inmates. Segregation of duties over receipts and disbursements is required to maintain proper and sufficient internal controls. NMAC 6.20.2.11.

Cause

Lack of timely review, reconciliation and supervision. The Adult Detention Center receipting and disbursement processes are decentralized. Management did not address lack of segregation of duties over the receipting and disbursement processes in this department.

Effect

This lack of segregation of duties and oversight provides an opportunity for fraud and mistakes regarding inmates funds.

Recommendation

The County should implement a complete accounting and reconciliation process that requires additional oversight of this accounting process to include surprise on-site cash counts and reviews of accounting records.

Response

The County agrees with this recommendation and as part of its planned financial overhaul intends to implement the proper oversight and internal controls.

11-6 Cash Withdrawal From Deposit - Internal Control & Compliance

Condition

We noted that a deposit made on April 28, 2011 for \$26,217.18 less cash of \$277.00 for a total deposit of \$25,940.18. It is suspected that a check was cashed for someone causing the depletion of the cash drawer. The employee responsible is no longer employed and no one is sure that the check cashing occurred.

Criteria

Good accounting practices prohibit less cash on a deposit slip.

Cause

The cash drawer was being replenished.

Effect

Withdrawing cash from a deposit slip could provide an opportunity to misappropriate County assets.

Recommendation

A check should be written to replenish the cash drawer and checks should never be cashed for anyone.

Response

The County agrees with this recommendation and intends to put an immediate stop to any practice that has resulted in this finding.

11-7 Checks Used Out of Sequence - Internal Control & Compliance

Condition

We noted that checks are being used out of sequence in the finance department.

Criteria

Adequate internal controls require use of checks in sequential order.

Cause

It is not clear why the checks were used out of sequence. The person responsible is no longer employed in the position.

Effect

Checks issued out of sequence allow for a possibility of misappropriation of assets of the County.

Recommendation

Unissued checks in the middle of issued checks should be voided rather than used out of sequence.

Response

The County agrees with this recommendation and as part of stepping up internal controls intends to implement the proper procedures which will prevent the recurrence of this finding.

11-8 Fuel Card Expense Report- Internal Control & Compliance

Condition

Fuel expenses are not being tracked correctly. We noted that there is a lack of internal controls related to fuel purchases in the road department and sheriff's department. We were unable to determine which employee uses which card and if it was for authorized vehicles.

Criteria

6.20.2.11 Internal Control Standards address procedures for handling purchases and expenditures.

Cause

The County does not have a formal, written policy requiring users of its fuel cards to submit reports documenting vehicle mileage and usage for which gasoline was purchased. The County has not implemented procedures requiring users of fuel cards to report their card usage and any unusual activity addressed by County management.

Effect

The likelihood that the County is expending funds for unauthorized purposes is heightened due to the lack of formal procedures being in place and enforced.

Recommendation

We recommend that the County develop a procedure whereby each individual who is assigned a gasoline card tracks his or her mileage when fuel purchases are made. This information should then be accumulated by each department manager, and reviewed and approved. Any unusual activity or missing mileage entries should be followed up and reconciled, so that users of the fuel cards are held accountable for their fuel card usage.

Response

The County agrees with this recommendation and intends to implement the proper procedures for record keeping in all departments. This will include an appropriate form for reporting fuel usage in each vehicle.

11-9 Minutes of Commissioner Meetings - Internal Control & Compliance

Condition

Minutes of the meetings of the County Commissioners contained incorrect financial information that was subsequently approved by the Commission.

Criteria

The minutes constitute a formal historical record of actions taken by the Commissioners and, as such, should clearly indicate what documents are being reviewed and approved or disapproved.

Cause

Books and records supporting the financial information in the minutes was incorrect.

Effect

Historical records contain incorrect financial information that may mislead the public.

Recommendation

The financial information included in the minutes should be correct, reconciled and complete before it is approved by the Commission.

Response

The error was a typo. It will be corrected.

11-10 Paying expenditures out of wrong funds - Internal Control & Compliance

Condition

The Treasurers office is dispersing expenditures from the wrong funds.

Criteria

Governmental GAAP requires fund accounting for governmental entities and a fund is required for each special revenue fund.

Cause

Information for the expenditure regarding which fund should be charged comes for the Clerks office. Due to the lack of communication, errors are made.

Effect

Using the wrong account for expenditures increases the County's risk of budget overruns. In addition to budgetary issues, financial statements and fund balances are at risk of being incorrect.

Recommendation

The same accounting system should be used for both revenues and expenditures to avoid posting checks to the wrong fund by the Treasurer.

Response

The County agrees with this recommendation and intends to establish a centralized financial department. Consistent procedures for revenues and expenditures will be implemented.

11-11 Combining fiduciary cash funds with other cash funds - Internal Control & Compliance

Condition

The Treasurers office has combined the tax collections, the cash that belongs to those entities that receive the tax collections, with the County's other cash funds belonging to the County.

Criteria

In other areas such as law and insurance, the law prohibits lawyers, agents and brokers from mingling any funds held in a fiduciary capacity with any of the agency's own funds. The inmates funds are not included in the County's pooled cash bank account.

Cause

This practice has been in effect for years and is apparently a common practice among counties.

Effect

Combining fiduciary funds with other funds by using the same bank account requires a very good accounting system to account for the various funds. Without a good accounting system, mistakes can be made and not resolved such as those we as auditors encountered during this audit.

Recommendation

A separate bank account should be used for tax collections. The other funds could be accounted for in the accounting department.

Response

The County agrees with this recommendation and will work with the Treasurer to implement.

11-12 Receipts from the Clerk's Office - Internal Control & Compliance

Condition

The money collected in the Clerk's office is given to the Treasurer's office once a month with a adding machine tape breaking down the revenue by line item.

Criteria

6.20.2.11 Internal Control Standards address procedures for handling cash receipt from inception to deposit.

Cause

The Clerk has reported receipts this way for years.

Effect

A lack of good accounting controls allows for misappropriation of funds, an inability to determine who misappropriated the funds and a potential of misclassification of revenue.

Recommendation

The Clerk should turn in all receipts given to customers with the cash collected to the Treasurer's office on a daily basis. A summary sheet could be accompany the receipts and cash to provide a break down of the revenues.

Response

The County agrees with this recommendation and intends to work with both the Clerk and the Treasurer to implement the proper collection procedures.

11-13 Credit Cards - Internal Control & Compliance

Condition

The County has and is using credit cards issued by the local bank.

Criteria

In accordance with Laws of 2007, Regular session, Chapter 28, Section 3, Subsection L states, "Except for gasoline credit cards used solely for operation of official vehicles, telephone credit cards used solely for official business and procurement cards used as authorized by section 6-5-9(l) NMSA 1978, none of the appropriations contained in the General Appropriation Act of 2007 may be expended for payment of agency-issued credit card invoices."

Cause

The County was unaware Purchased cards must be used.

Effect

The County potentially could lose spending control with this credit cards as the purchases do not have to follow the County's purchase order system. In addition the Counts has a potential risk of loss and theft through inappropriate purchases by an employee or the loss of control of the credit card number resulting in fraudulent use.

Recommendation

All credit cards should be canceled and replaced with purchase cards.

Response

The County agrees with this recommendation and will immediately take action to remedy it. The two credit cards used by the road department and the administrator respectively will be canceled and replaced with purchase cards.

11-14 Closing and combining of inactive funds - Internal Control & Compliance

Condition

The County has several inactive funds that need to be combined with those funds that are similar in purpose to spend the funds.

Criteria

Governmental accounting requires fund accounting and fund management.

Cause

The County has inactive funds that could be the result of a misposting of just not spends all of the funds provided or set aside for a special purpose.

Effect

Having several inactive funds on the books creates an environment of a potential misappropriation of funds and a lost opportunity to provide services to the public.

Recommendation

All inactive funds should be combined with like kind funds or if necessary returned to the grantor.

Response

The County intends to close and or combine these accounts as recommended in an effort to clean up the inactive funds.

11-15 Time Clocks - Internal Control & Compliance

Condition

The County doesn't have time clocks or any other devise or system to determine hours worked by employees.

Criteria

Good internal controls provide accurate time records to substantiate time worked.

Cause

The County has not implemented a formal time system.

Effect

A time system protects the County from possible overtime issues and formally accounts for time worked.

Recommendation

A time clock or other device or system should be implemented.

Response

The County will implement a time record system.

11-16 Fair Ground Funds - Internal Control & Compliance

Condition

The Fair Ground Board is charging for events and admissions without turning the funds into the Treasurer.

Criteria

All revenues and expenditures that are the responsibility of the entity should be accounted for in the entity's books and records.

Cause

They were not aware that the funds had to be accounted for by the County Treasurer and recorded in the County's books and records.

Effect

Revenue and expenditures that the County is responsible for are not included in the records or financials of the County.

Recommendation

All Fair Ground funds should be given to the Treasurer and bills paid by the County.

Response

The Fair Board will turn in all revenue and the County will pay the bills for them.

11-17 Misclassification of expenditures - Internal Control & Compliance

Condition

Fees paid to an outside consultant to reconcile the quick books was paid from the election line item and is obviously has nothing to do with the election.

Criteria

Good internal controls requires all expenditures be properly coded to the correct line item.

Cause

Budget was available in the election line item and expenditures were posted to it rather than making a budget adjustment to move the money to the correct line item.

Effect

Posting expenditures to the wrong line item makes it difficult to manage budgeted expenditures and provides incorrect financial information to the Commission.

Recommendation

All expenditures should be posted to the correct line item and budget amendments made if necessary.

Response

All expenditures will be recorded in the correct line items regardless of the budget available.

Exit Conference

An exit conference was held on March 27, 2012 in an executive session with all Commissioners, Aldolfo Lucero, Becky Harris, George Gonzales, Administrator-Melinda Pattison, Treasurer-Randy Ballard, Clerk-Laurie Pettigrew and De'Aun Willoughby, CPA.