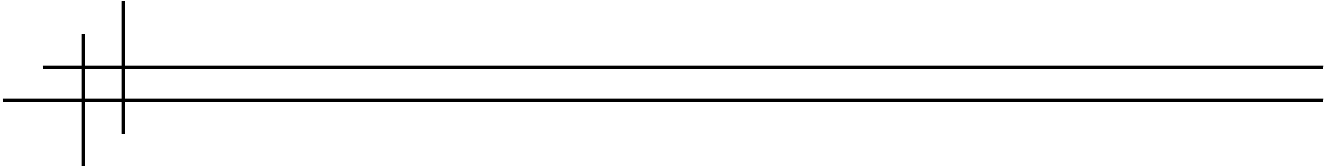




STATE OF NEW MEXICO
DE BACA COUNTY

ANNUAL FINANCIAL REPORT
June 30, 2012

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



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DE BACA COUNTY
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STATE OF NEW MEXICO
DE BACA COUNTY
Official Roster
June 30, 2012

COUNTY COMMISSION

Aldolfo Lucero	Chairman
Becky Harris	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

225 Innsdale Terrace Clovis, NM 88101

(855) 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, 2012, 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, 2012, 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, 2012, 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, 2012, 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 May 30, 2013 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's management has omitted the Management's Discussion and Analysis that the Governmental Accounting Standards Board require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements the combining and individual fund financial statements, and the budgetary comparisons. The accompanying budget comparison is not a required part of the financial statements. The additional schedule listed as "other supplemental information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

De'Ann Willoughby CPA PC

May 30, 2013

FINANCIAL SECTION

STATE OF NEW MEXICO
DE BACA COUNTY
 Government-Wide Statement of Net Assets
 June 30, 2012

	<u>Governmental Activities</u>	<u>Component Unit</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 3,116,240	\$ 620,072
Receivables (Net of Allowance for Uncollectible if Applicable)		
Accounts	0	175,649
Taxes	49,665	0
Due from Grantor	158,879	56,155
Other	0	6,500
Total Current Assets	<u>3,324,784</u>	<u>858,376</u>
Noncurrent Assets		
Restricted Cash	89,318	200,000
Capital Assets	12,449,343	1,132,321
Less: Accumulated Depreciation	<u>(6,588,362)</u>	<u>(675,658)</u>
Total Noncurrent Assets	<u>5,950,299</u>	<u>656,663</u>
Total Assets	<u>9,275,083</u>	<u>1,515,039</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	43,566	43,341
Accrued Salaries and Related Expenses	21,754	57,673
Compensated Absences	29,308	33,059
Current Portion of Long-Term Debt	83,459	0
Total Current Liabilities	<u>178,087</u>	<u>134,073</u>
Noncurrent Liabilities		
Loans	985,643	0
Landfill Closure Cost	736,500	0
Total Noncurrent Liabilities	<u>1,722,143</u>	<u>0</u>
Total Liabilities	<u>1,900,230</u>	<u>134,073</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	4,791,879	456,663
Unrestricted	2,582,974	924,303
Total Net Assets	<u>\$ 7,374,853</u>	<u>\$ 1,380,966</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, 2012

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	\$ 630,374	\$ 32,839	\$ 474,000	\$ 0	\$ (123,535)	\$ 0
Public Safety	1,365,452	262,799	342,956	0	(759,697)	0
Public Works	1,352,899	171,735	440,505	260,878	(479,781)	0
Culture & Recreation	14,945	0	0	0	(14,945)	0
Health & Welfare	41,283	0	0	0	(41,283)	0
Interest on Long-Term Obligations	21,234	0	0	0	(21,234)	0
Total Governmental Activities	<u>\$ 3,426,187</u>	<u>\$ 467,373</u>	<u>\$ 1,257,461</u>	<u>\$ 260,878</u>	<u>\$ (1,440,475)</u>	<u>\$ 0</u>
Component Unit	<u>\$ 2,435,472</u>	<u>\$ 2,090,008</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (345,464)</u>
General Revenues						
Property Taxes				\$ 823,463	\$ 226,688	
Gross Receipts Taxes				227,707	0	
Motor Vehicle Taxes				310,890	0	
Gasoline Taxes				114,431	0	
Interest Income				31,733	5,589	
Miscellaneous				44,788	115,869	
Total General Revenues				<u>1,553,012</u>	<u>348,146</u>	
Change in Net Assets				112,537	2,682	
Beginning Net Assets				<u>7,262,316</u>	<u>1,378,284</u>	
Ending Net Assets				<u>\$ 7,374,853</u>	<u>\$ 1,380,966</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, 2012

	<u>Special Revenue Funds</u>		
	<u>General Fund</u>	<u>Corrections</u>	<u>Valley Fire Department</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,611,256	\$ 0	\$ 133,288
Receivables (Net of Allowance for Uncollectible if Applicable)			
Taxes	5,247	1,946	0
Due from Grantor	0	0	0
Interfund Balance	209,026	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 1,825,529</u>	<u>\$ 1,946</u>	<u>\$ 133,288</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Interfund Balance	\$ 0	\$ 46,343	\$ 0
Accounts Payable	7,072	1,510	730
Accrued Salaries & Benefits	3,937	4,504	0
Total Liabilities	<u>11,009</u>	<u>52,357</u>	<u>730</u>
Fund Balances			
Restricted, reported in			
Special Revenue Fund	0	0	132,558
Capital Projects	0	0	0
Unassigned, reported in:			
General Fund	1,814,520	0	0
Special Revenue Fund	0	(50,411)	0
Total Fund Balances	<u>1,814,520</u>	<u>(50,411)</u>	<u>132,558</u>
Total Liabilities and Fund Balances	<u>\$ 1,825,529</u>	<u>\$ 1,946</u>	<u>\$ 133,288</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, 2012

	<u>Road Department</u>	<u>Landfill Closure</u>	<u>Capital Project Transfer Station Construction</u>
ASSETS			
Cash and Cash Equivalents	\$ 869,438	\$ 0	\$ 0
Receivables (Net of Allowance for Uncollectible if Applicable)			
Taxes	34,567	0	0
Due from Grantor	0	21,122	110,282
Interfund Balance	0	0	0
Restricted Cash	87,359	0	0
Total Assets	<u>\$ 991,364</u>	<u>\$ 21,122</u>	<u>\$ 110,282</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Interfund Balance	\$ 0	\$ 21,122	\$ 110,282
Accounts Payable	18,190	0	0
Accrued Salaries & Benefits	5,016	0	0
Total Liabilities	<u>23,206</u>	<u>21,122</u>	<u>110,282</u>
Fund Balances			
Restricted, reported in			
Special Revenue Fund	968,158	0	0
Capital Projects	0	0	0
Unassigned, reported in:			
General Fund	0	0	0
Special Revenue Fund	0	0	0
Total Fund Balances	<u>968,158</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 991,364</u>	<u>\$ 21,122</u>	<u>\$ 110,282</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, 2012

	Non-Major Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 502,258	\$ 3,116,240
Receivables (Net of Allowance for Uncollectible if Applicable)		
Taxes	7,905	49,665
Due from Grantor	27,475	158,879
Interfund Balance	0	209,026
Restricted Cash	1,959	89,318
Total Assets	<u>\$ 539,597</u>	<u>\$ 3,623,128</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Current Liabilities		
Interfund Balance	\$ 31,279	\$ 209,026
Accounts Payable	16,064	43,566
Accrued Salaries & Benefits	8,297	21,754
Total Liabilities	<u>55,640</u>	<u>274,346</u>
Fund Balances		
Restricted, reported in		
Special Revenue Fund	483,957	1,584,673
Capital Projects	0	0
Unassigned, reported in:		
General Fund	0	1,814,520
Special Revenue Fund	0	(50,411)
Total Fund Balances	<u>483,957</u>	<u>3,348,782</u>
Total Liabilities and Fund Balances	<u>\$ 539,597</u>	<u>\$ 3,623,128</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, 2012

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

Total Fund Balance - Governmental Funds		\$	3,348,782
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	\$	12,449,343	
Accumulated depreciation is		<u>(6,588,362)</u>	5,860,981
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		(1,069,102)	
Landfill Closure Cost		(736,500)	
Compensated Absences		<u>(29,308)</u>	<u>(1,834,910)</u>
Total net assets - governmental activities		\$	<u><u>7,374,853</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, 2012

	Special Revenue Funds		
	General Fund	Corrections	Valley Fire Department
Revenues			
Taxes			
Gross Receipts Tax	\$ 97,604	\$ 25,614	\$ 0
Property Taxes	823,463	0	0
Motor Vehicle Tax	9,356	0	0
Gasoline Tax	0	0	0
Federal Grants	0	0	0
State Grants	474,000	0	107,766
Joint Powers Agreements	0	0	0
Charges for Services	162,734	28,829	0
Fines & Forfeitures	8,370	0	0
Licenses & Permits	2,090	0	0
Interest Income	22,709	0	0
Miscellaneous	10,991	468	4,233
Total Revenues	<u>1,611,317</u>	<u>54,911</u>	<u>111,999</u>
Expenditures			
Current			
General Government	581,588	0	0
Public Safety	219,575	369,902	83,166
Public Works	80,951	0	0
Health & Welfare	0	0	0
Capital Outlay	0	0	477,456
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>882,114</u>	<u>369,902</u>	<u>560,622</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>729,203</u>	<u>(314,991)</u>	<u>(448,623)</u>
Other Financing Sources (Uses)			
Net Transfers In/Out	(546,843)	258,162	0
Loan Proceeds	0	0	477,456
Total Other Sources (Uses)	<u>(546,843)</u>	<u>258,162</u>	<u>477,456</u>
Net Change in Fund Balance	182,360	(56,829)	28,833
Fund Balances at Beginning of Year	<u>1,632,160</u>	<u>6,418</u>	<u>103,725</u>
Fund Balances at End of Year	<u>\$ 1,814,520</u>	<u>\$ (50,411)</u>	<u>\$ 132,558</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, 2012

	<u>Special Revenue Funds</u>		<u>Capital Project</u>
	<u>Road</u>	<u>Landfill</u>	<u>Transfer</u>
	<u>Department</u>	<u>Closure</u>	<u>Station</u>
			<u>Construction</u>
Revenues			
Taxes			
Gross Receipts Tax	\$ 0	\$ 0	\$ 0
Property Taxes	0	0	0
Motor Vehicle Tax	301,534	0	0
Gasoline Tax	114,431	0	0
Federal Grants	0	0	0
State Grants	343,099	85,900	260,878
Joint Powers Agreements	0	0	0
Charges for Services	0	0	0
Fines & Forfeitures	0	0	0
Licenses & Permits	0	0	0
Interest Income	7,691	0	0
Miscellaneous	13,577	0	0
Total Revenues	<u>780,332</u>	<u>85,900</u>	<u>260,878</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	0	0	0
Public Works	663,918	85,900	0
Health & Welfare	0	0	0
Capital Outlay	38,536	0	260,878
Debt Service			
Principal	55,674	0	0
Interest	18,376	0	0
Total Expenditures	<u>776,504</u>	<u>85,900</u>	<u>260,878</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,828</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Net Transfers In/Out	0	0	0
Loan Proceeds	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	3,828	0	0
Fund Balances at Beginning of Year	<u>964,330</u>	<u>0</u>	<u>0</u>
Fund Balances at End of Year	<u><u>968,158</u></u>	<u><u>0</u></u>	<u><u>0</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, 2012

	Non-Major Governmental Funds	Total Governmental Funds
Revenues		
Taxes		
Gross Receipts Tax	\$ 104,489	\$ 227,707
Property Taxes	0	823,463
Motor Vehicle Tax	0	310,890
Gasoline Tax	0	114,431
Federal Grants	6,672	6,672
State Grants	110,390	1,382,033
Joint Powers Agreements	129,634	129,634
Charges for Services	275,810	467,373
Fines & Forfeitures	3,285	11,655
Licenses & Permits	0	2,090
Interest Income	1,333	31,733
Miscellaneous	1,774	31,043
Total Revenues	<u>633,387</u>	<u>3,538,724</u>
Expenditures		
Current		
General Government	29,195	610,783
Public Safety	450,937	1,123,580
Public Works	349,402	1,180,171
Health & Welfare	17,655	17,655
Capital Outlay	56,532	833,402
Debt Service		
Principal	28,312	83,986
Interest	2,858	21,234
Total Expenditures	<u>934,891</u>	<u>3,870,811</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(301,504)</u>	<u>(332,087)</u>
Other Financing Sources (Uses)		
Net Transfers In/Out	288,681	0
Loan Proceeds		477,456
Total Other Sources (Uses)	<u>288,681</u>	<u>477,456</u>
Net Change in Fund Balance	(12,823)	145,369
Fund Balances at Beginning of Year	<u>496,780</u>	<u>3,203,413</u>
Fund Balances at End of Year	<u>\$ 483,957</u>	<u>\$ 3,348,782</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, 2012

Net Change in Fund Balance	\$	145,369
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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	\$ (470,026)	
Capital Outlays	<u>833,402</u>	363,376

The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net assets.	(477,456)
--	-----------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	83,986
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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 6/30/11	26,570	
Accrued Compensated Absences at 6/30/12	<u>(29,308)</u>	<u>(2,738)</u>

Changes in Net Assets of Governmental Activities	\$	<u><u>112,537</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 95,000	\$ 95,000	\$ 98,324	\$ 3,324
Property Taxes	594,423	594,423	629,962	35,539
Payment in Lieu of Taxes	100,000	100,000	193,501	93,501
Motor Vehicle Taxes	8,500	8,500	9,356	856
Charge for Services	32,590	32,590	162,733	130,143
License & Permits	2,300	2,300	2,090	(210)
State Grants	454,000	454,000	474,000	20,000
Penalties & Interest	3,000	3,000	8,370	5,370
Interest Income	28,000	28,000	22,709	(5,291)
Miscellaneous	168,065	168,065	10,993	(157,072)
Total Revenues	1,485,878	1,485,878	1,612,038	126,160
Expenditures				
Commissioners				
Personnel Services	74,925	74,925	75,588	(663)
Operating Expenses	184,814	184,814	146,124	38,690
Capital Outlay	25,000	25,000	30,610	(5,610)
Total Commissioners	284,739	284,739	252,322	32,417
Probate				
Personnel Services	9,054	9,054	9,059	(5)
Operating Expenses	1,293	1,293	938	355
Total Probate	10,347	10,347	9,997	350
Treasurer				
Personnel Services	111,899	111,899	78,810	33,089
Operating Expenses	37,294	37,294	31,036	6,258
Total Treasurer	149,193	149,193	109,846	39,347
Assessor				
Personnel Services	73,583	73,583	68,017	5,566
Operating Expenses	5,012	5,012	4,073	939
Total Assessor	78,595	78,595	72,090	6,505
Clerk				
Personnel Services	96,516	96,516	103,567	(7,051)
Operating Expenses	20,853	20,853	17,870	2,983
Total Clerk	117,369	117,369	121,437	(4,068)
Election				

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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Operating Expenses	\$ 24,500	\$ 24,500	\$ 14,171	\$ 10,329
Total Election	<u>24,500</u>	<u>24,500</u>	<u>14,171</u>	<u>10,329</u>
Public Safety				
Sheriff				
Personnel Services	216,875	216,875	158,486	58,389
Operating Expenses	<u>62,459</u>	<u>62,459</u>	<u>59,387</u>	<u>3,072</u>
Total Sheriff	<u>279,334</u>	<u>279,334</u>	<u>217,873</u>	<u>61,461</u>
Public Works				
Maintenance				
Personnel Services	28,475	28,475	4,182	24,293
Operating Expenses	<u>41,750</u>	<u>41,750</u>	<u>73,317</u>	<u>(31,567)</u>
Total Maintenance	<u>70,225</u>	<u>70,225</u>	<u>77,499</u>	<u>(7,274)</u>
Total Expenditures	<u>1,014,302</u>	<u>1,014,302</u>	<u>875,235</u>	<u>139,067</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>471,576</u>	<u>471,576</u>	<u>736,803</u>	<u>(12,907)</u>
Other Financing Sources (Uses)				
Transfer in from Health	0	0	20,891	(20,891)
Transfer to Corrections	(258,162)	(258,162)	(258,162)	0
Transfer to Communications	(161,166)	(161,166)	(178,062)	16,896
Transfer to Farm & Range	(27,250)	(27,250)	(27,250)	0
Transfer to Transfer Station Operations	0	0	(104,260)	104,260
Total Other Financing Sources	<u>\$ (446,578)</u>	<u>\$ (446,578)</u>	<u>\$ (546,843)</u>	<u>\$ 100,265</u>
Net Changes in Cash Balance	\$ 24,998	\$ 24,998	\$ 189,960	\$ 164,962
Cash Balance Beginning of Year	<u>1,630,322</u>	<u>1,630,322</u>	<u>1,630,322</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,655,320</u>	<u>\$ 1,655,320</u>	<u>\$ 1,820,282</u>	<u>\$ 164,962</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ 189,960	
Net Change in Taxes Receivable			(719)	
Net Change in Accounts Payable			(2,944)	
Net Change in Accrued Payroll			(3,937)	
Net Changes in Fund Balance-GAAP Basis			<u>\$ 182,360</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Taxes	\$ 30,000	\$ 30,000	\$ 26,296	\$ (3,704)
Fees	29,000	29,000	28,829	171
Miscellaneous	0	0	469	(469)
Total Revenues	<u>59,000</u>	<u>59,000</u>	<u>55,594</u>	<u>(4,002)</u>
Expenditures				
Public Safety				
Personnel Services	267,021	267,021	253,080	13,941
Operating Expenses	82,090	82,090	112,973	(30,883)
Total Expenditures	<u>349,111</u>	<u>349,111</u>	<u>366,053</u>	<u>(16,942)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(290,111)</u>	<u>(290,111)</u>	<u>(310,459)</u>	<u>(20,348)</u>
Other Financing Sources (Uses)				
Transfer from General	258,162	258,162	258,162	0
Total Other Sources (Uses)	<u>258,162</u>	<u>258,162</u>	<u>258,162</u>	<u>0</u>
Net Changes in Cash Balance	(31,949)	(31,949)	(52,297)	(20,348)
Cash Balance Beginning of Year	<u>5,954</u>	<u>5,954</u>	<u>5,954</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (25,995)</u>	<u>\$ (25,995)</u>	<u>\$ (46,343)</u>	<u>\$ (20,348)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (52,297)	
Net Change in Taxes Receivable			(683)	
Net Change in Accounts Payable			655	
Net Change in Accrued Payroll			(4,504)	
Net Changes in Fund Balances-GAAP Basis			<u>\$ (56,829)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 107,766	\$ 107,766	\$ 107,766	\$ 0
Miscellaneous	0	0	4,234	4,234
Total Revenues	<u>107,766</u>	<u>107,766</u>	<u>112,000</u>	<u>4,234</u>
Expenditures				
Public Safety				
Operating Expenses	85,333	85,333	82,437	2,896
Capital Outlay	0	0	477,456	(477,456)
Debt Services				
Principal	0	0	0	0
Interest	0	0	0	0
Total Expenditures	<u>85,333</u>	<u>85,333</u>	<u>559,893</u>	<u>(474,560)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>22,433</u>	<u>22,433</u>	<u>(447,893)</u>	<u>(470,326)</u>
Other Financing Sources (Uses)				
Loan Proceeds	0	0	477,456	477,456
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>477,456</u>	<u>477,456</u>
Net Changes in Cash Balance	22,433	22,433	29,563	7,130
Cash Balance Beginning of Year	<u>103,725</u>	<u>103,725</u>	<u>103,725</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 126,158</u>	<u>\$ 126,158</u>	<u>\$ 133,288</u>	<u>\$ 7,130</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 29,563	
Net Change in Accounts Payable			(730)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 28,833</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Motor Vehicle Taxes	\$ 250,000	\$ 250,000	\$ 277,474	\$ 27,474
Gasoline Taxes	46,100	46,100	127,911	81,811
Rents	0	0	5,952	5,952
State Grants	269,000	269,000	343,099	74,099
Interest Income	10,000	10,000	7,691	(2,309)
Miscellaneous	5,000	5,000	7,626	2,626
Total Revenues	<u>580,100</u>	<u>580,100</u>	<u>769,753</u>	<u>189,653</u>
Expenditures				
Public Works				
Personnel Services	293,642	293,642	293,642	0
Operating Expenses	365,260	365,260	348,700	16,560
Capital Outlay	38,536	38,536	38,536	0
Debt Service				
Principal	46,274	46,274	56,274	(10,000)
Interest	17,776	17,776	17,776	0
Total Expenditures	<u>761,488</u>	<u>761,488</u>	<u>754,928</u>	<u>6,560</u>
Excess (Deficiency) of Revenues Over Expenditures	(181,388)	(181,388)	14,825	196,213
Cash Balance Beginning of Year	<u>941,972</u>	<u>941,972</u>	<u>941,972</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 760,584</u>	<u>\$ 760,584</u>	<u>\$ 956,797</u>	<u>\$ 196,213</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 14,825	
Net Change in Taxes Receivable			10,580	
Net Change in Accounts Payable			(16,561)	
Net Change in Accrued Payroll			(5,016)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 3,828</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 CLOSURE
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 85,900	\$ 85,900	\$ 92,973	\$ 7,073
Total Revenues	<u>85,900</u>	<u>85,900</u>	<u>92,973</u>	<u>7,073</u>
Expenditures				
Public Works				
Operating Expenses	85,900	85,900	85,900	0
Total Expenditures	<u>85,900</u>	<u>85,900</u>	<u>85,900</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	7,073	7,073
Cash Balance Beginning of Year	<u>(28,195)</u>	<u>(28,195)</u>	<u>(28,195)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(28,195)</u>	\$ <u>(28,195)</u>	\$ <u>(21,122)</u>	\$ <u>7,073</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ 7,073	
Net Change in Due from Grantor			<u>(7,073)</u>	
Net Changes in Fund Balance-GAAP Basis			\$ <u>0</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, 2012

	<u>Agency Funds</u>
ASSETS	
Cash and temporary investments	\$ 1,108
Receivables	
Property Taxes	58,912
Total Assets	<u>\$ 60,020</u>
LIABILITIES	
Due to other taxing units	\$ 60,020
Total Liabilities	<u>\$ 60,020</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

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.

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)

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.

Fund Balances of Fund Financial Statements

A fund balance may be classified as committed, assigned or unassigned. The Board of Commissioners are the only authority that may classify a fund balance. It takes a formal board action to classify, modify or resend a fund balance classification.

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.

<u>Name of Account</u>	Balance Per Bank 6/30/2012	Reconciled Balance	<u>Type</u>
Federal Tax Account	\$ 9	\$ 9	Interest Bearing-Checking
De Baca County NOW Account	144,667	(4,204)	Interest Bearing-Checking
De Baca County MMA Account	3,121,545	3,121,545	Interest Bearing-Checking
TOTAL Deposited	<u>3,266,221</u>	<u>\$ 3,117,350</u>	
Less: FDIC Coverage	<u>(500,000)</u>		
Uninsured Amount	2,766,221		
50% collateral requirement	1,383,111		
Pledged securities	<u>2,771,928</u>		
Over (Under) requirement	<u>\$ 1,388,818</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 #				
4618	36202FDX1	\$ 1,905,979	1/20/2040	Independent Bank, Dallas, TX
GNMA Pool #				
80846	36225C4L7	806,651	2/20/2034	Independent Bank, Dallas, TX
GNMA Pool #				
80848	36225C5J1	59,298	3/20/2034	Independent Bank, Dallas, TX
		<u>\$ 2,771,928</u>		

New Mexico Finance Authority

<u>Name of Account</u>	Balance Per Bank 6/30/2012	Reconciled Balance
County Reserve	1,957	1,957
Roads	87,359	87,359
TOTAL Deposited	<u>89,316</u>	<u>\$ 89,316</u>
Less: FDIC Coverage	<u>(89,316)</u>	
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, 2012

Custodial Credit Risk-Deposits	Bank
<u>Depository Account</u>	<u>Balance</u>
Insured	\$ 589,316
Collateralized:	
Collateral held by the pledging bank in County's name	2,766,221
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 3,355,537</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, 2012 \$0 of the County's bank balance of \$3,355,537 was exposed to custodial credit risk.

Component Unit:

Citizens Bank of Clovis

<u>Name of Account</u>	<u>Balance Per Bank 6/30/2012</u>	<u>Reconciled Balance</u>	<u>Type</u>
De Baca Family Practice Clinic	\$ 826,623	\$ 820,072	Non-Interest Bearing-Checking
TOTAL Deposited	826,623	<u>820,072</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	576,623		
50% collateral requirement	288,312		
Pledged securities	854,392		
Over (Under) requirement	<u>\$ 566,081</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, 2012 none of the Clinic's bank balance of \$826,623 was exposed to custodial credit risk.

NOTE 4: RECEIVABLES

Receivables as of June 30, 2012, were as follows:

<u>Receivables</u>	<u>General</u>	<u>Corrections</u>	<u>Roads</u>	<u>Landfill Closure</u>	<u>Transfer Station Construction</u>
Taxes:					
Gross Receipts	\$ 5,247	\$ 1,946	\$ 0	\$ 0	\$ 0
Motor Vehicle			24,061		
Gasoline Tax	0	0	10,506	0	0
Due from Grantor	0	0	0	21,122	110,282
	<u>\$ 5,247</u>	<u>\$ 1,946</u>	<u>\$ 34,567</u>	<u>\$ 21,122</u>	<u>\$ 110,282</u>

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2012

<u>Receivables</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Taxes:		
Gross Receipts	\$ 7,905	\$ 15,098
Motor Vehicle	0	24,061
Gasoline Tax	0	10,506
Due from Grantor	27,475	158,879
	<u>\$ 35,380</u>	<u>\$ 208,544</u>

NOTE 5: TAX ROLL RECONCILIATION

Property taxes receivable, beginning of year	\$ 52,068
Changes to tax roll:	
Net taxes charged to treasurer for fiscal year	1,753,341
Adjustments:	
Changes in taxes receivables	0
Charge off of taxes receivables	<u>(25)</u>
Total receivables prior to collections	1,805,384
Collections for fiscal year ended June 30, 2012	<u>(1,746,472)</u>
Property taxes receivable, end of year	<u>\$ 58,912</u>

	<u>County</u>	<u>School</u>	<u>Village</u>	<u>Medical Clinic</u>	<u>Irrigation District</u>
2002	\$ 206	\$ 144	\$ 2	\$ 74	\$ 0
2003	20	15	4	7	0
2004	19	16	4	7	0
2005	38	29	6	14	0
2006	34	24	6	12	0
2007	411	363	39	148	0
2008	277	240	9	100	0
2009	1,138	780	40	411	52
2010	3,732	2,752	306	1,349	795
2011	15,547	11,612	1,284	5,587	8,704
	<u>\$ 21,422</u>	<u>\$ 15,975</u>	<u>\$ 1,700</u>	<u>\$ 7,709</u>	<u>\$ 9,551</u>

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2012

	State	Total
2002	\$ 26	\$ 452
2003	3	49
2004	2	48
2005	4	91
2006	4	80
2007	44	1,005
2008	29	655
2009	111	2,532
2010	496	9,430
2011	1,836	44,570
	<u>\$ 2,555</u>	<u>\$ 58,912</u>

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 6/30/2011	Additions	Deductions	Ending Balances 6/30/2012
ASSETS				
Cash in bank	\$ 3,830	\$ 0	\$ 2,722	\$ 1,108
Taxes receivables	52,362	1,745,595	1,739,045	58,912
Total assets	<u>\$ 56,192</u>	<u>\$ 1,745,595</u>	<u>\$ 1,741,767</u>	<u>\$ 60,020</u>
LIABILITIES				
Deposits held for others				
General	\$ 0	\$ 629,962	\$ 629,962	\$ 0
School District	0	465,974	465,974	0
Municipality	0	36,973	36,973	0
Medical Clinic	0	226,917	226,917	0
Irrigation District	0	262,012	262,012	0
State of New Mexico	0	116,393	116,393	0
Treasurer-Taxes Paid in Advance	3,830	814	3,536	1,108
Uncollected taxes	52,362	6,550	0	58,912
Total liabilities	<u>\$ 56,192</u>	<u>\$ 1,745,595</u>	<u>\$ 1,741,767</u>	<u>\$ 60,020</u>

NOTE 7: INTERFUND RECEIVABLES

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, 2012 is as follows:

Receivable Fund	Payable Funds				Totals
	Corrections	Landfill Closure	Transfer Station Construction	Nonmajor Funds	
General	\$ 46,343	\$ 21,122	\$ 110,282	\$ 31,279	\$ 209,026
Totals	<u>\$ 46,343</u>	<u>\$ 21,122</u>	<u>\$ 110,282</u>	<u>\$ 31,279</u>	<u>\$ 209,026</u>

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2012

NOTE 8: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2012, is as follows:

	Balance 6/30/2011	Additions	Deductions	Ending Balances 6/30/2012
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 70,925	\$ 4,568	\$ 0	\$ 75,493
Total Capital Assets, not being Depreciated	\$ 70,925	\$ 4,568	\$ 0	\$ 75,493
Capital Assets, being Depreciated				
Land Improvements	\$ 7,238	\$ 0	\$ 0	\$ 7,238
Infrastructure	822,987	0	0	822,987
Buildings & Improvements	5,405,607	229,493	0	5,635,100
Equipment	5,309,183	599,342	0	5,908,525
Total Capital Assets, being Depreciated	11,545,015	828,835	0	12,373,850
Total Capital Assets	\$ 11,615,940	\$ 833,403	\$ 0	\$ 12,449,343
Less Accumulated Depreciation				
Land Improvements	\$ 6,238	\$ 1,000	\$ 0	\$ 7,238
Buildings & Improvements	63,196	16,460	0	79,656
Infrastructure	3,147,086	94,089	0	3,241,175
Equipment	2,901,816	358,477	0	3,260,293
Total Accumulated Depreciation	6,118,336	470,026	0	6,588,362
Capital Assets, net	\$ 5,497,604	\$ 363,377	\$ 0	\$ 5,860,981

Depreciation expense was charged to governmental activities as follows:

General	\$ 20,052
Public Safety	240,444
Public Works	170,957
Culture & Recreation	14,945
Health & Welfare	23,628
Total depreciation expenses	\$ 470,026

Component Unit:

De Baca Family Practice Clinic

Capital asset activity consists of the following at June 30, 2012:

	Balance 6/30/2011	Increases	Decreases	Balance 6/30/2012
Leasehold Improvements	\$ 477,475	\$ 5,250	\$ 0	\$ 482,725
Medical Equipment	405,928	3,038	0	408,966
Dental Equipment	130,126	6,884	0	137,010
Office Equipment	90,432	0	0	90,432
Maintenance Equipment	13,188	0	0	13,188
Total Depreciable Assets	1,117,149	15,172	0	1,132,321

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2012

Less Accumulated Depreciation

Leasehold Improvements	113,188	33,186	0	146,374
Medical Equipment	265,339	47,342	0	312,681
Dental Equipment	130,124	1,143	0	131,267
Office Equipment	70,735	4,213	0	74,948
Maintenance Equipment	9,440	948	0	10,388
Total Accumulated Depreciation	<u>588,826</u>	<u>86,832</u>	<u>0</u>	<u>675,658</u>

Capital Assets, net \$ 528,323 \$ (71,660) \$ 0 \$ 456,663

Depreciation was \$87,644 for the year ended June 30, 2012, 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 6/30/2011	Additions	Reductions	Balance 6/30/2012	Amounts Due Within One Year
Governmental Activities					
Notes Payable	\$ 675,632	\$ 477,456	\$ 83,986	\$ 1,069,102	83,986
Compensated Absences	26,567	32,941	30,200	29,308	29,308
Long-Term Liabilities	\$ <u>702,199</u>	\$ <u>510,397</u>	\$ <u>114,186</u>	\$ <u>1,098,410</u>	\$ <u>113,294</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%	\$ 36,000
2000	NMFA	08/11/20	193,527	5.95%	42,491
2008	NMFA	11/01/20	727,419	3.00%	513,155
2012	NMFA	6/1/27	477,456	1.62%	477,456
					\$ <u>1,069,102</u>

The annual requirements to amortize the general obligation bonds as of June 30, 2012, including interest payments are as follows:

	Principal	Interest	Total
2013	\$ 83,459	\$ 26,821	\$ 110,280
2014	86,196	25,126	111,322
2015	106,752	22,632	129,384
2016	109,940	19,820	129,760
2117	102,378	17,038	119,416
2018-2023	392,220	42,956	435,176
2024-2027	188,157	6,905	195,062
	\$ <u>1,069,102</u>	\$ <u>161,298</u>	\$ <u>1,230,400</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 2012, 2011, and 2010 were \$198,269, \$191,807, and \$176,981 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 Corrections Fund \$(16,942), Valley Fire Department \$(474,560), Property Valuation \$(2,320), County Reserve (2,767), Lake Sumner Fire Department \$(34,137), Valley Forestry \$(33,570), Ambulance \$(1,702), Transfer Station Operations Fund \$(69,709).

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.

The landfill is located 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 were \$7,569. The Village contributed \$4,834.

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, 2012, 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, 2012. 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: 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 19: DEFICIT FUND BALANCE

The following funds had a deficit fund balance at the end of the fiscal year, Corrections \$(50,411), and Transfer Station Operation \$(22,028).

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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 450,000	\$ 450,000	\$ 280,491	\$ (169,509)
Total Revenues	<u>450,000</u>	<u>450,000</u>	<u>280,491</u>	<u>(169,509)</u>
Expenditures				
Public Works				
Capital Outlay	309,497	309,497	260,878	48,619
Total Expenditures	<u>309,497</u>	<u>309,497</u>	<u>260,878</u>	<u>48,619</u>
Excess (Deficiency) of Revenues Over Expenditures	140,503	140,503	19,613	(120,890)
Cash Balance Beginning of Year	<u>(129,895)</u>	<u>(129,895)</u>	<u>(129,895)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>10,608</u>	\$ <u>10,608</u>	\$ <u>(110,282)</u>	\$ <u>(120,890)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 19,613	
Net Change in Due from Grantor			<u>(19,613)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>0</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR GOVERNMENTAL FUNDS

Property Valuation 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 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.

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.

NONMAJOR GOVERNMENTAL FUNDS

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.

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.

Transfer Station Fund

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

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.

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.

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.

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2012

	Special Revenue Funds		
	Property Valuation	Recording & Equipment	County Reserve
ASSETS			
Cash and Cash Equivalents	\$ 21,625	\$ 5,155	\$ 23,980
Receivables			
Taxes	0	0	474
Due from Grantor	0	0	0
Restricted Cash	0	0	1,957
Total Assets	<u>\$ 21,625</u>	<u>\$ 5,155</u>	<u>\$ 26,411</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Accrued Salaries & Benefits	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	21,625	5,155	26,411
Capital Projects	0	0	0
Total Fund Balance	<u>21,625</u>	<u>5,155</u>	<u>26,411</u>
Total Liabilities and Fund Balance	<u>\$ 21,625</u>	<u>\$ 5,155</u>	<u>\$ 26,411</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 Balance Sheet
June 30, 2012

	Special Revenue Funds		
	Lake Sumner Fire	Lake Sumner Forestry Fire	Valley Forestry Fire
ASSETS			
Cash and Cash Equivalents	\$ 23,352	\$ 22,730	\$ 30,702
Receivables			
Taxes	0	0	0
Due from Grantor	0	0	0
Restricted Cash	2	0	0
Total Assets	<u>\$ 23,354</u>	<u>\$ 22,730</u>	<u>\$ 30,702</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	135	0	0
Accrued Salaries & Benefits	0	0	0
Total Liabilities	<u>135</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	23,219	22,730	30,702
Capital Projects	0	0	0
Total Fund Balance	<u>23,219</u>	<u>22,730</u>	<u>30,702</u>
Total Liabilities and Fund Balance	<u>\$ 23,354</u>	<u>\$ 22,730</u>	<u>\$ 30,702</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 Balance Sheet
June 30, 2012

	Special Revenue Funds		
	Lake Sumner EMS	Ambulance	Communications
ASSETS			
Cash and Cash Equivalents	\$ 10,504	\$ 3,510	\$ 72,304
Receivables			
Taxes	0	1,153	3,807
Due from Grantor	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 10,504</u>	<u>\$ 4,663</u>	<u>\$ 76,111</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	1,642	0	625
Accrued Salaries & Benefits	0	0	3,959
Total Liabilities	<u>1,642</u>	<u>0</u>	<u>4,584</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	8,862	4,663	71,527
Capital Projects	0	0	0
Total Fund Balance	<u>8,862</u>	<u>4,663</u>	<u>71,527</u>
Total Liabilities and Fund Balance	<u>\$ 10,504</u>	<u>\$ 4,663</u>	<u>\$ 76,111</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 Balance Sheet
June 30, 2012

	Special Revenue Funds		
	Enhanced 911 Grant	Emergency Management	Law Enforcement
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 13,979
Receivables			
Taxes	0	0	0
Due from Grantor	0	1,275	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 1,275</u>	<u>\$ 13,979</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 1,275	\$ 0
Accounts Payable	0	0	430
Accrued Salaries & Benefits	0	0	0
Total Liabilities	<u>0</u>	<u>1,275</u>	<u>430</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	0	0	13,549
Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>13,549</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 1,275</u>	<u>\$ 13,979</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 Balance Sheet
June 30, 2012

	Special Revenue Funds		
	Sheriffs JPA	DARE	Canteen
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 2,239	\$ 412
Receivables			
Taxes	0	0	0
Due from Grantor	26,200	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 26,200</u>	<u>\$ 2,239</u>	<u>\$ 412</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 21,148	\$ 0	\$ 0
Accounts Payable	1,000	0	0
Accrued Salaries & Benefits	3,260	0	0
Total Liabilities	<u>25,408</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	792	2,239	412
Capital Projects	0	0	0
Total Fund Balance	<u>792</u>	<u>2,239</u>	<u>412</u>
Total Liabilities and Fund Balance	<u>\$ 26,200</u>	<u>\$ 2,239</u>	<u>\$ 412</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 Balance Sheet
June 30, 2012

	Special Revenue Funds		
	Misdemeanor Compensation	Farm & Range	Transfer Station
ASSETS			
Cash and Cash Equivalents	\$ 794	\$ 422	\$ 0
Receivables			
Taxes		0	0
Due from Grantor	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 794</u>	<u>\$ 422</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 8,856
Accounts Payable	138	0	12,094
Accrued Salaries & Benefits	0	0	1,078
Total Liabilities	<u>138</u>	<u>0</u>	<u>22,028</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	656	422	(22,028)
Capital Projects	0	0	0
Total Fund Balance	<u>656</u>	<u>422</u>	<u>(22,028)</u>
Total Liabilities and Fund Balance	<u>\$ 794</u>	<u>\$ 422</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 Balance Sheet
June 30, 2012

	Special Revenue Funds		
	County Environmental	Health Grant	County Indigent
ASSETS			
Cash and Cash Equivalents	\$ 10,899	\$ 0	\$ 109,888
Receivables			
Taxes	576	0	1,895
Due from Grantor	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 11,475</u>	<u>\$ 0</u>	<u>\$ 111,783</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Accrued Salaries & Benefits	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	11,475	0	111,783
Capital Projects	0	0	0
Total Fund Balance	<u>11,475</u>	<u>0</u>	<u>111,783</u>
Total Liabilities and Fund Balance	<u>\$ 11,475</u>	<u>\$ 0</u>	<u>\$ 111,783</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 Balance Sheet
June 30, 2012

	<u>Special Revenue</u>	
	<u>Hospital</u>	<u>Total</u>
ASSETS		
Cash and Cash Equivalents	\$ 149,763	\$ 502,258
Receivables		
Taxes	0	7,905
Due from Grantor	0	27,475
Restricted Cash	0	1,959
Total Assets	<u>\$ 149,763</u>	<u>\$ 539,597</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Interfund Balance	\$ 0	\$ 31,279
Accounts Payable	0	16,064
Accrued Salaries & Benefits	0	8,297
Total Liabilities	<u>0</u>	<u>55,640</u>
Fund Balance		
Restricted, reported in		
Special Revenue Fund	149,763	483,957
Capital Projects	0	0
Total Fund Balance	<u>149,763</u>	<u>483,957</u>
 Total Liabilities and Fund Balance	 <u>\$ 149,763</u>	 <u>\$ 539,597</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, 2012

	Special Revenue Funds		
	Property Valuation	Recording & Equipment	County Reserve
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 6,707
Federal Grants	0	0	0
State and Local Grants	0	0	0
Joint Powers Agreements	0	0	0
Charges for Service	18,067	4,992	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>18,067</u>	<u>4,992</u>	<u>6,707</u>
Expenditures			
Current			
General Government	27,460	1,735	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	132
Total Expenditures	<u>27,460</u>	<u>1,735</u>	<u>5,369</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,393)</u>	<u>3,257</u>	<u>1,338</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	(9,393)	3,257	1,338
Fund Balances at Beginning of Year	<u>31,018</u>	<u>1,898</u>	<u>25,073</u>
Fund Balance End of Year	<u>\$ 21,625</u>	<u>\$ 5,155</u>	<u>\$ 26,411</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, 2012

	Special Revenue Funds		
	Lake Sumner Fire	Lake Sumner Forestry Fire	Valley Forestry Fire
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	0	0
State and Local Grants	68,806	0	0
Joint Powers Agreements	0	0	0
Charges for Service	0	11,978	69,038
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	244	240	250
Total Revenues	<u>69,050</u>	<u>12,218</u>	<u>69,288</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	28,260	2,830	37,857
Public Works	0	0	0
Health & Welfare	0	0	0
Capital Outlay	0	15,000	22,500
Debt Service			
Principal	23,075	0	0
Interest	2,726	0	0
Total Expenditures	<u>54,061</u>	<u>17,830</u>	<u>60,357</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>14,989</u>	<u>(5,612)</u>	<u>8,931</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	14,989	(5,612)	8,931
Fund Balances at Beginning of Year	<u>8,230</u>	<u>28,342</u>	<u>21,771</u>
Fund Balance End of Year	<u>\$ 23,219</u>	<u>\$ 22,730</u>	<u>\$ 30,702</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, 2012

	Special Revenue Funds		
	Lake Sumner EMS	Ambulance	Communications
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 15,319	\$ 50,207
Federal Grants	0	0	0
State and Local Grants	7,477	0	6,109
Joint Powers Agreements	0	0	20,000
Charges for Service	0	0	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>7,477</u>	<u>15,319</u>	<u>76,316</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	6,240	14,202	230,879
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>6,240</u>	<u>14,202</u>	<u>230,879</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,237</u>	<u>1,117</u>	<u>(154,563)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	181,360
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>181,360</u>
Net Changes in Fund Balance	1,237	1,117	26,797
Fund Balances at Beginning of Year	<u>7,625</u>	<u>3,546</u>	<u>44,730</u>
Fund Balance End of Year	<u>\$ 8,862</u>	<u>\$ 4,663</u>	<u>\$ 71,527</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, 2012

	Special Revenue Funds		
	Enhanced 911 Grant	Emergency Management	Law Enforcement
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	0	0
State and Local Grants	3,723	1,275	23,000
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	1,040
Total Revenues	<u>3,723</u>	<u>1,275</u>	<u>24,040</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	425	2,777	17,857
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>425</u>	<u>2,777</u>	<u>17,857</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,298</u>	<u>(1,502)</u>	<u>6,183</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>(3,298)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(3,298)</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	0	(1,502)	6,183
Fund Balances at Beginning of Year	<u>0</u>	<u>1,502</u>	<u>7,366</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,549</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, 2012

	<u>Special Revenue Funds</u>		
	<u>Sheriffs JPA</u>	<u>DARE</u>	<u>Canteen</u>
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	0	0
State and Local Grants	0	0	0
Joint Powers Agreements	104,800	0	0
Charges for Service	0	0	0
Fines & Forfeitures	0	1,145	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>104,800</u>	<u>1,145</u>	<u>0</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	106,737	0	702
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>106,737</u>	<u>0</u>	<u>702</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,937)</u>	<u>1,145</u>	<u>(702)</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	(1,937)	1,145	(702)
Fund Balances at Beginning of Year	<u>2,729</u>	<u>1,094</u>	<u>1,114</u>
Fund Balance End of Year	<u>\$ 792</u>	<u>\$ 2,239</u>	<u>\$ 412</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, 2012

	Special Revenue Funds		
	Misdemeanor Compensation	Farm & Range	Transfer Station
Revenues			
Taxes			
Gross Receipts	\$	\$	\$
Federal Grants	0	6,672	0
State and Local Grants	0	0	0
Joint Powers Agreements	0	0	0
Charges for Service	0	0	171,735
Fines & Forfeitures	2,140	0	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>2,140</u>	<u>6,672</u>	<u>171,735</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	2,171	0	0
Public Works	0	33,500	295,218
Health & Welfare	0	0	0
Capital Outlay	0	0	19,032
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>2,171</u>	<u>33,500</u>	<u>314,250</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(31)</u>	<u>(26,828)</u>	<u>(142,515)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)		27,250	104,260
Total Other Financing Sources (Uses)	<u>0</u>	<u>27,250</u>	<u>104,260</u>
Net Changes in Fund Balance	(31)	422	(38,255)
Fund Balances at Beginning of Year	<u>687</u>	<u>0</u>	<u>16,227</u>
Fund Balance End of Year	<u>\$ 656</u>	<u>\$ 422</u>	<u>\$ (22,028)</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, 2012

	Special Revenue Funds		
	County Environmental	Health Grant	County Indigent
Revenues			
Taxes			
Gross Receipts	\$ 7,659	\$ 0	\$ 24,597
Federal Grants	0	0	0
State and Local Grants	0	0	0
Joint Powers Agreements	4,834	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>12,493</u>	<u>0</u>	<u>24,597</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	0	0	0
Public Works	20,684	0	0
Health & Welfare	0	0	17,655
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>20,684</u>	<u>0</u>	<u>17,655</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,191)</u>	<u>0</u>	<u>6,942</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	(20,891)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(20,891)</u>	<u>0</u>
Net Changes in Fund Balance	(8,191)	(20,891)	6,942
Fund Balances at Beginning of Year	<u>19,666</u>	<u>20,891</u>	<u>104,841</u>
Fund Balance End of Year	<u>\$ 11,475</u>	<u>\$ 0</u>	<u>\$ 111,783</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, 2012

	<u>Special Revenue</u>	
	<u>Hospital</u>	<u>Total</u>
Revenues		
Taxes		
Gross Receipts	\$ 0	\$ 104,489
Federal Grants	0	6,672
State and Local Grants	0	110,390
Joint Powers Agreements	0	129,634
Charges for Service	0	275,810
Fines & Forfeitures	0	3,285
Interest Income	1,333	1,333
Miscellaneous	0	1,774
Total Revenues	<u>1,333</u>	<u>633,387</u>
Expenditures		
Current		
General Government	0	29,195
Public Safety	0	450,937
Public Works	0	349,402
Health & Welfare	0	17,655
Capital Outlay	0	56,532
Debt Service		
Principal	0	28,312
Interest	0	2,858
Total Expenditures	<u>0</u>	<u>934,891</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,333</u>	<u>(301,504)</u>
Other Financing Sources (Uses)		
Transfers In/(Out)	0	288,681
Total Other Financing Sources (Uses)	<u>0</u>	<u>288,681</u>
Net Changes in Fund Balance	1,333	(12,823)
Fund Balances at Beginning of Year	<u>148,430</u>	<u>496,780</u>
Fund Balance End of Year	<u>\$ 149,763</u>	<u>\$ 483,957</u>

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

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-PROPERTY VALUATION FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge for Services	\$ 15,000	\$ 15,000	\$ 18,067	\$ 3,067
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>18,067</u>	<u>3,067</u>
Expenditures				
General Government				
Personnel Services	11,306	11,306	11,305	1
Operating Expenses	<u>13,834</u>	<u>13,834</u>	<u>16,155</u>	<u>(2,321)</u>
Total Expenditures	<u>25,140</u>	<u>25,140</u>	<u>27,460</u>	<u>(2,320)</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,140)	(10,140)	(9,393)	747
Cash Balance Beginning of Year	<u>31,018</u>	<u>31,018</u>	<u>31,018</u>	<u>0</u>
Cash Balance End of Year	\$ <u>20,878</u>	\$ <u>20,878</u>	\$ <u>21,625</u>	\$ <u>747</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(9,393)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(9,393)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge For Services	\$ 2,000	\$ 2,000	\$ 4,992	\$ 2,992
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>4,992</u>	<u>2,992</u>
Expenditures				
General Government Operating Expenses	2,000	2,000	1,735	265
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,735</u>	<u>265</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	3,257	3,257
Cash Balance Beginning of Year	<u>1,898</u>	<u>1,898</u>	<u>1,898</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,898</u>	<u>\$ 1,898</u>	<u>\$ 5,155</u>	<u>\$ 3,257</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>3,257</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>3,257</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 2,000	\$ 2,000	\$ 6,427	\$ 4,427
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>6,427</u>	<u>4,427</u>
Expenditures				
General Government				
Operating Expenses	2,602	2,602	0	2,602
Debt Service				
Principal	0	0	5,237	(5,237)
Interest & Fees	<u>0</u>	<u>0</u>	<u>132</u>	<u>(132)</u>
Total Expenditures	<u>2,602</u>	<u>2,602</u>	<u>5,369</u>	<u>(2,767)</u>
Excess (Deficiency) of Revenues Over Expenditures	(602)	(602)	1,058	1,660
Cash Balance Beginning of Year	<u>24,879</u>	<u>24,879</u>	<u>24,879</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 24,277</u>	<u>\$ 24,277</u>	<u>\$ 25,937</u>	<u>\$ 1,660</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,058	
Net Change in Taxes Receivable			<u>280</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,338</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 68,806	\$ 68,806	\$ 68,806	\$ 0
Miscellaneous	0	0	244	244
Total Revenues	<u>68,806</u>	<u>68,806</u>	<u>69,050</u>	<u>244</u>
Expenditures				
Public Safety				
Operating Expenses	15,000	15,000	31,636	(16,636)
Capital Outlay	8,300	8,300	0	8,300
Debt Services				
Principal	0	0	23,075	(23,075)
Interest	0	0	2,726	(2,726)
Total Expenditures	<u>23,300</u>	<u>23,300</u>	<u>57,437</u>	<u>(34,137)</u>
Excess (Deficiency) of Revenues Over Expenditures	45,506	45,506	11,613	(33,893)
Cash Balance Beginning of Year	<u>11,741</u>	<u>11,741</u>	<u>11,741</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 57,247</u>	<u>\$ 57,247</u>	<u>\$ 23,354</u>	<u>\$ (33,893)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 11,613	
Net Change in Accounts Payable			<u>3,376</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 14,989</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge For Services	\$ 11,978	\$ 11,978	\$ 11,978	\$ 0
Miscellaneous	0	0	240	240
Total Revenues	<u>11,978</u>	<u>11,978</u>	<u>12,218</u>	<u>240</u>
Expenditures				
Public Safety				
Operating Expenses	28,071	28,071	2,830	25,241
Capital Outlay	0	0	15,000	(15,000)
Total Expenditures	<u>28,071</u>	<u>28,071</u>	<u>17,830</u>	<u>10,241</u>
Excess (Deficiency) of Revenues Over Expenditures	(16,093)	(16,093)	(5,612)	10,481
Cash Balance Beginning of Year	<u>28,342</u>	<u>28,342</u>	<u>28,342</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 12,249</u>	<u>\$ 12,249</u>	<u>\$ 22,730</u>	<u>\$ 10,481</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,612)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (5,612)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge For Services	\$ 42,858	\$ 42,858	\$ 69,038	\$ 26,180
Miscellaneous	0	0	250	250
Total Revenues	<u>42,858</u>	<u>42,858</u>	<u>69,288</u>	<u>26,430</u>
Expenditures				
Public Safety				
Operating Expenses	26,787	26,787	37,857	(11,070)
Capital Outlay	0	0	22,500	(22,500)
Total Expenditures	<u>26,787</u>	<u>26,787</u>	<u>60,357</u>	<u>(33,570)</u>
Excess (Deficiency) of Revenues Over Expenditures	16,071	16,071	8,931	(7,140)
Cash Balance Beginning of Year	<u>21,771</u>	<u>21,771</u>	<u>21,771</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 37,842</u>	<u>\$ 37,842</u>	<u>\$ 30,702</u>	<u>\$ (7,140)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 8,931</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 8,931</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 7,000	\$ 7,000	\$ 7,477	\$ 477
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>7,477</u>	<u>477</u>
Expenditures				
Public Safety				
Operating Expenses	7,000	7,000	4,598	2,402
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>4,598</u>	<u>2,402</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	2,879	2,879
Cash Balance Beginning of Year	<u>7,625</u>	<u>7,625</u>	<u>7,625</u>	<u>0</u>
Cash Balance End of Year	\$ <u>7,625</u>	\$ <u>7,625</u>	\$ <u>10,504</u>	\$ <u>2,879</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,879	
Net Change in Accounts Payable			<u>(1,642)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,237</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 12,500	\$ 12,500	\$ 15,137	\$ 2,637
Total Revenues	<u>12,500</u>	<u>12,500</u>	<u>15,137</u>	<u>2,637</u>
Expenditures				
Health & Welfare				
Operating Expenses	12,500	12,500	14,202	(1,702)
Total Expenditures	<u>12,500</u>	<u>12,500</u>	<u>14,202</u>	<u>(1,702)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	935	935
Cash Balance Beginning of Year	<u>2,575</u>	<u>2,575</u>	<u>2,575</u>	<u>0</u>
Cash Balance End of Year	\$ <u>2,575</u>	\$ <u>2,575</u>	\$ <u>3,510</u>	\$ <u>935</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 935	
Net Change in Taxes Receivable			<u>182</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,117</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Taxes	\$ 55,000	\$ 55,000	\$ 51,654	\$ (3,346)
Joint Powers Agreements	0	0	20,000	20,000
State Grant	0	0	6,109	6,109
Miscellaneous	0	0	0	0
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>77,763</u>	<u>22,763</u>
Expenditures				
Public Safety				
Personnel Services	221,004	221,004	180,985	40,019
Operating Expenses	32,058	32,058	45,309	(13,251)
Total Expenditures	<u>253,062</u>	<u>253,062</u>	<u>226,294</u>	<u>26,768</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(198,062)</u>	<u>(198,062)</u>	<u>(148,531)</u>	<u>49,531</u>
Other Financing Sources (Uses)				
Transfer from General & 911	178,062	178,062	181,360	(3,298)
Total Other Sources (Uses)	<u>178,062</u>	<u>178,062</u>	<u>181,360</u>	<u>(3,298)</u>
Net Changes in Cash Balance	(20,000)	(20,000)	32,829	52,829
Cash Balance Beginning of Year	<u>39,475</u>	<u>39,475</u>	<u>39,475</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 19,475</u>	<u>\$ 19,475</u>	<u>\$ 72,304</u>	<u>\$ 52,829</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ 32,829	
Net Change in Taxes Receivable			(1,447)	
Net Change in Accounts Payable			(625)	
Net Change in Accrued Payroll			(3,960)	
Net Changes in Fund Balances-GAAP Basis			<u>\$ 26,797</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 400,000	\$ 400,000	\$ 3,723	\$ (396,277)
Miscellaneous	0	0	0	0
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>3,723</u>	<u>(396,277)</u>
Expenditures				
Public Safety				
Operating Expenses	49,916	49,916	425	49,491
Capital Outlay	350,084	350,084	0	350,084
Total Expenditures	<u>400,000</u>	<u>400,000</u>	<u>425</u>	<u>399,575</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>3,298</u>	<u>3,298</u>
Other Financing Sources (Uses)				
Transfer to Communications	0	0	(3,298)	3,298
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(3,298)</u>	<u>3,298</u>
Net Changes in Cash Balance	0	0	0	0
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>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ 0	
Net Changes in Fund Balances-GAAP Basis			<u>\$ 0</u>	

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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 126,678	\$ 126,678	\$ 0	\$ (126,678)
Total Revenues	<u>126,678</u>	<u>126,678</u>	<u>0</u>	<u>(126,678)</u>
Expenditures				
Public Safety				
Operating Expenses	126,678	126,678	2,777	123,901
Total Expenditures	<u>126,678</u>	<u>126,678</u>	<u>2,777</u>	<u>123,901</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(2,777)	(2,777)
Cash Balance Beginning of Year	<u>1,502</u>	<u>1,502</u>	<u>1,502</u>	<u>0</u>
Cash Balance End of Year	\$ <u>1,502</u>	\$ <u>1,502</u>	\$ <u>(1,275)</u>	\$ <u>(2,777)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,777)	
Net due from Grantor			<u>1,275</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 23,000	\$ 23,000	\$ 23,000	\$ 0
Miscellaneous	0	0	1,040	1,040
Total Revenues	<u>23,000</u>	<u>23,000</u>	<u>24,040</u>	<u>1,040</u>
Expenditures				
Public Safety				
Operating Expenses	17,000	17,000	17,427	(427)
Capital Outlay	6,000	6,000	0	6,000
Total Expenditures	<u>23,000</u>	<u>17,000</u>	<u>17,427</u>	<u>5,573</u>
Excess (Deficiency) of Revenues Over Expenditures	0	6,000	6,613	613
Cash Balance Beginning of Year	<u>7,366</u>	<u>7,366</u>	<u>7,366</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 7,366</u>	<u>\$ 13,366</u>	<u>\$ 13,979</u>	<u>\$ 613</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,613	
Net Change in Accounts Payable			<u>(430)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 6,183</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Grants	\$ 104,800	\$ 104,800	\$ 78,600	\$ (26,200)
Total Revenues	<u>104,800</u>	<u>104,800</u>	<u>78,600</u>	<u>(26,200)</u>
Expenditures				
Public Safety				
Personnel Services	93,400	93,400	90,419	2,981
Operating Expenses	<u>11,400</u>	<u>11,400</u>	<u>12,058</u>	<u>(658)</u>
Total Expenditures	<u>104,800</u>	<u>104,800</u>	<u>102,477</u>	<u>2,323</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(23,877)	(23,877)
Cash Balance Beginning of Year	<u>2,729</u>	<u>2,729</u>	<u>2,729</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,729</u>	<u>\$ 2,729</u>	<u>\$ (21,148)</u>	<u>\$ (23,877)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (23,877)	
Net Change Due from Grantor			26,200	
Net Change in Accounts Payable			(1,000)	
Net Change in Accrued Payroll			<u>(3,260)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,937)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fines	\$ 1,000	\$ 1,000	\$ 1,145	\$ 145
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,145</u>	<u>145</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	1,000	1,000	1,145	145
Cash Balance Beginning of Year	<u>1,094</u>	<u>1,094</u>	<u>1,094</u>	<u>0</u>
Cash Balance End of Year	\$ <u>2,094</u>	\$ <u>2,094</u>	\$ <u>2,239</u>	\$ <u>145</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>1,145</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,145</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, 2012

	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	800	800	702	98
Total Expenditures	<u>800</u>	<u>800</u>	<u>702</u>	<u>98</u>
Excess (Deficiency) of Revenues Over Expenditures	(800)	(800)	(702)	98
Cash Balance Beginning of Year	<u>1,114</u>	<u>1,114</u>	<u>1,114</u>	<u>0</u>
Cash Balance End of Year	\$ <u>314</u>	\$ <u>314</u>	\$ <u>412</u>	\$ <u>98</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (702)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(702)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fines	\$ 517	\$ 517	\$ 2,140	\$ 1,623
Total Revenues	<u>517</u>	<u>517</u>	<u>2,140</u>	<u>1,623</u>
Expenditures				
Public Safety				
Operating Expenses	2,500	2,500	2,033	467
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>2,033</u>	<u>467</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,983)	(1,983)	107	2,090
Cash Balance Beginning of Year	<u>687</u>	<u>687</u>	<u>687</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(1,296)</u>	\$ <u>(1,296)</u>	\$ <u>794</u>	\$ <u>2,090</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 107	
Net Change in Accounts Payable			<u>(138)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(31)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 6,250	\$ 6,250	\$ 6,672	\$ 422
Total Revenues	<u>6,250</u>	<u>6,250</u>	<u>6,672</u>	<u>422</u>
Expenditures				
Public Works				
Operating Expenses	33,500	33,500	33,500	0
Total Expenditures	<u>33,500</u>	<u>33,500</u>	<u>33,500</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(27,250)</u>	<u>(27,250)</u>	<u>(26,828)</u>	<u>422</u>
Other Financing Sources (Uses)				
Transfer from General Fund	27,250	27,250	27,250	0
Total Other Sources (Uses)	<u>27,250</u>	<u>27,250</u>	<u>27,250</u>	<u>0</u>
Net Change in Cash Balance	0	0	422	422
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>\$ 422</u>	<u>\$ 422</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ 422	
Net Changes in Fund Balances-GAAP Basis			\$ 422	

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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 127,109	\$ 127,109	\$ 171,735	\$ 44,626
Total Revenues	<u>127,109</u>	<u>127,109</u>	<u>171,735</u>	<u>44,626</u>
Expenditures				
Public Works				
Operating Expenses	231,369	231,369	282,046	(50,677)
Capital Outlay	<u>0</u>	<u>0</u>	<u>19,032</u>	<u>(19,032)</u>
Total Expenditures	<u>231,369</u>	<u>231,369</u>	<u>301,078</u>	<u>(69,709)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(104,260)</u>	<u>(104,260)</u>	<u>(129,343)</u>	<u>(25,083)</u>
Other Financing Sources (Uses)				
Transfer from General Fund	<u>0</u>	<u>0</u>	<u>104,260</u>	<u>104,260</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>104,260</u>	<u>104,260</u>
Net Change in Cash Balance	(104,260)	(104,260)	(25,083)	79,177
Cash Balance Beginning of Year	<u>16,227</u>	<u>16,227</u>	<u>16,227</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (88,033)</u>	<u>\$ (88,033)</u>	<u>\$ (8,856)</u>	<u>\$ 79,177</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (25,083)	
Net Change in Accounts Payable			(12,094)	
Net Change in Accrued Payroll			<u>(1,078)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (38,255)</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 ENVIRONMENTAL FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 6,500	\$ 6,500	\$ 7,569	\$ 1,069
Joint Powers Agreement	0	0	4,834	4,834
Total Revenues	<u>6,500</u>	<u>6,500</u>	<u>12,403</u>	<u>5,903</u>
Expenditures				
Public Works				
Operating Expenses	<u>22,500</u>	<u>22,500</u>	<u>22,483</u>	<u>17</u>
Total Expenditures	<u>22,500</u>	<u>22,500</u>	<u>22,483</u>	<u>17</u>
Excess (Deficiency) of Revenues Over Expenditures	(16,000)	(16,000)	(10,080)	5,920
Cash Balance Beginning of Year	<u>20,979</u>	<u>20,979</u>	<u>20,979</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,979</u>	<u>\$ 4,979</u>	<u>\$ 10,899</u>	<u>\$ 5,920</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (10,080)	
Net Change in Taxes Receivable			90	
Net Change in Accrued Payroll			<u>1,799</u>	
Net Changes in Fund Balances-GAAP Basis			<u>\$ (8,191)</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, 2012

	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				
Personnel Services	0	0	0	0
Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	<u>0</u>	<u>0</u>	<u>(20,891)</u>	<u>(20,891)</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(20,891)</u>	<u>(20,891)</u>
Net Change in Cash Balance	0	0	(20,891)	(20,891)
Cash Balance Beginning of Year	<u>20,891</u>	<u>20,891</u>	<u>20,891</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 20,891</u>	<u>\$ 20,891</u>	<u>\$ 0</u>	<u>\$ (20,891)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (20,891)	
Net Changes in Fund Balances-GAAP Basis			<u>\$ (20,891)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 28,000	\$ 28,000	\$ 25,269	\$ (2,731)
Total Revenues	<u>28,000</u>	<u>28,000</u>	<u>25,269</u>	<u>(2,731)</u>
Expenditures				
Health & Welfare				
Operating Expenses	28,000	28,000	17,655	10,345
Total Expenditures	<u>28,000</u>	<u>28,000</u>	<u>17,655</u>	<u>10,345</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	7,614	7,614
Cash Balance Beginning of Year	<u>102,274</u>	<u>102,274</u>	<u>102,274</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 102,274</u>	<u>\$ 102,274</u>	<u>\$ 109,888</u>	<u>\$ 7,614</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,614	
Net Change in Taxes Receivable			<u>(672)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 6,942</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 1,500	\$ 1,500	\$ 1,333	\$ (167)
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>1,333</u>	<u>(167)</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	1,500	1,500	1,333	(167)
Cash Balance Beginning of Year	<u>148,430</u>	<u>148,430</u>	<u>148,430</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 149,930</u>	<u>\$ 149,930</u>	<u>\$ 149,763</u>	<u>\$ (167)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,333	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,333</u>	

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, 2012

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, 2012 with the option to renew on a year to year basis.
Project Costs: Undeterminable
County Contribution: \$178,062
Audit Responsibility: De Baca County

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 Collection Center.
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

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: \$104,800 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

225 Innsdale Terrace Clovis, NM 88101

(855) 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, major special revenue fund, and the budgetary comparisons for the major capital project fund and the combining individual funds and related budgetary comparison presented as supplemental information of the De Baca County (County), as of and for the year ended June 30, 2012, and have issued our report thereon dated May 30, 2013. 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

Management of the board is responsible for establishing and maintaining effective 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 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 certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting; 04-01, 04-13, 07-01, 08-01, 08-02, 10-02, 11-5, 11-11, 11-12 11-15 and 11-16. 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, 11-5, 11-11, 11-12,11-15 and 11-16.

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

May 30, 2013

Prior Year Audit Findings

	<u>Status</u>
04-01 Incorrect Cash Balances	Repeated
04-13 Budget Overruns	Repeated & Modified
04-19 Late Audit Report	Repeated
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
10-02 Bill paying issues	Repeated
11-1 Missing Information in the Financial Statements	Resolved
11-2 Grant Mismanagement	Resolved
11-3 Payroll	Resolved
11-4 Communications Between Departments Not Adequate	Resolved
11-5 Inmate Trust Fund Accounts Not Properly Maintained	Repeated
11-6 Cash Withdrawal From Deposit	Resolved
11-7 Checks Used Out of Sequence	Resolved
11-8 Fuel Card Expense Report	Resolved
11-9 Minutes of Commissioner Meetings	Resolved
11-10 Paying expenditures out of wrong funds	Resolved
11-11 Combining fiduciary cash funds with other cash funds	Repeated
11-12 Receipts from the Clerk's Office	Repeated
11-13 Credit Cards	Resolved
11-14 Closing and combining of inactive funds	Resolved
11-15 Time Clocks	Repeated
11-16 Fair Ground Funds	Repeated
11-17 Misclassification of expenditures	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

We are using the same software beginning July 1, 2012.

04-13 Budget Overruns - Internal Control & Compliance

Condition

The County had budget overruns in the Corrections Fund \$(16,942), Valley Fire Department \$(474,560), Property Valuation \$(2,320), County Reserve (2,767), Lake Sumner Fire Department \$(34,137), Valley Forestry \$(33,570), Ambulance \$(1,702), Transfer Station Operations Fund \$(69,709).

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

We have revamped our accounting system and feel budget overruns will not occur in the future.

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 auditor postponed the fieldwork until newly elected officers were in place to improve communication and cooperation between the auditors and staff.

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 auditors would like to thank you for allowing us the additional time. The audit process was much improved.

Response

We agree that waiting until new officials took office assisted with the audit process.

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

The County does not have sufficient budget to employ personnel that have adequate qualifications 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 Corrections \$(25,995), Landfill Closure \$(28,195), Misdemeanor \$(1,296), and Transfer Station Operation \$(88,033).

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

The Treasurer is not able to reconcile the bank statements to the general ledger.

Criteria

Good accounting practices and requirements of NMSC for other governmental entities state "All bank accounts shall be reconciled on a monthly basis." Bank reconciliations should be performed monthly reconciling the bank statement to the general ledger.

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.

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

Of 316 expenditure samples tested, 66 items totaling \$280,027.15 did not have the required purchase orders per policy. 23 items totaling \$49,042.10 had issued PO's after the purchase had been made. 12 items totaling \$106,825.02 were paid after the due date. 2 items totaling \$42,074.51 were paid before invoice date. 1 item totaling \$22,515.22 did not include three bids as required by policy. 1 item totaling \$671.02 was paid late resulting in late fees of \$139.00.

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 has implemented an appropriate and fiscally responsible procurement policy which will include the proper purchase authorization and purchase order procedures.

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.

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.

11-11 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

All funds shall be deposited in the appropriate account at a federally insured bank within 24 hours or receipt or one banking day as required by NMAC 6.2.2.14.3

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 newly elected Clerk has implemented an new system resolving this issue effective January 1, 2013.

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.

Component Unit-De Baca Family Practice Clinic, Inc. Findings**2012-2 Segregation of Duties - Significant Deficiency****Condition**

The Clinic has a limited segregation of duties due to personnel constraints.

Criteria

Segregation of certain specific accounting and administrative functions is preferred to minimize concentration of internal control and reduce the responsibility of overriding controls.

Cause

Personnel limitations have caused the Clinic to consolidate some incompatible accounting and administrative functions.

Effect

Limited segregation of duties is common in small and medium sized organizations that are forced to control personnel costs at the expense of improved control.

Recommendation

We recommend the Clinic periodically evaluate whether its level of control is appropriate for the current situation. We also recommend the Clinic transfer some duties related to bank reconciliations to another staff member to allow some division of duties related to bank accounts.

Response

The Clinic management agrees that personnel limitations require some consolidation of accounting functions; however, we have adjusted various procedures and reassigned duties over the last twelve months in a genuine effort to remedy this finding. Per recommendations we will give one or more additional users access to our accounting software and transfer the bank reconciliation responsibility to someone other than the CFO. This change was made as of the report date.

Exit Conference

An exit conference was held on May 30, 2013 with Aldolfo Lucero-Chairman, Treasurer-Betty Berry, Nichole Moyer-Accountant and De'Aun Willoughby, CPA.