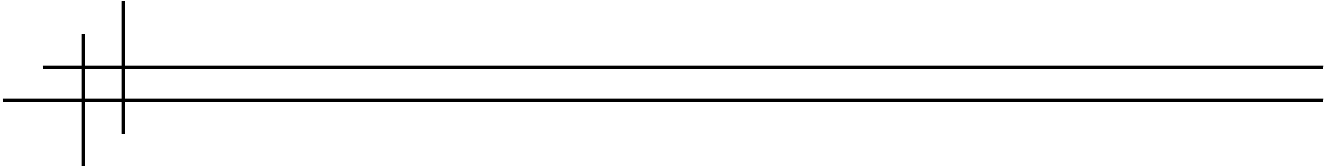




STATE OF NEW MEXICO
DE BACA COUNTY

ANNUAL FINANCIAL REPORT
June 30, 2013

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, 2013

COUNTY COMMISSION

Aldolfo Lucero	Chairman
Becky Harris	Vice-Chairman
George Gonzales	Member

ELECTED OFFICIALS

Rosalie Joiner	Clerk
Betty Berry	Treasurer
Denise Cones	Assessor
Dennis Clever	Sheriff
John Wootton	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 Balderas
State Auditor of the State of New Mexico
Board of Commissioners of De Baca County

Mr. Balderas and Members of the Board

Report on Financial Statements

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, 2013, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds, and the budgetary comparison for the major capital project fund presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions


In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons for the major capital project fund and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the Management's Discussion and Analysis which is required 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 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* in considering the County's internal control over financial reporting and compliance.

 CPA PC

Clovis, New Mexico
November 25, 2013

FINANCIAL SECTION

STATE OF NEW MEXICO
DE BACA COUNTY
 Government-Wide Statement of Net Position
 June 30, 2013

	Governmental Activities	Component Unit
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 3,484,308	\$ 662,235
Receivables (Net of Allowance for Uncollectible if Applicable)		
Accounts	0	180,938
Taxes	47,590	0
Due from Grantor	57,004	97,491
Other	0	3,500
Total Current Assets	<u>3,588,902</u>	<u>944,164</u>
Noncurrent Assets		
Restricted Cash	89,580	0
Capital Assets	13,079,296	1,209,835
Less: Accumulated Depreciation	<u>(7,068,922)</u>	<u>(761,435)</u>
Total Noncurrent Assets	<u>6,099,954</u>	<u>448,400</u>
Total Assets	<u>9,688,856</u>	<u>1,392,564</u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts Payable	117,536	7,236
Accrued Salaries and Related Expenses	33,801	61,326
Compensated Absences	22,952	4,736
Current Portion of Long-Term Debt	101,082	32,425
Total Current Liabilities	<u>275,371</u>	<u>105,723</u>
Noncurrent Liabilities		
Loans	1,283,069	0
Landfill Closure Cost	736,500	0
Total Noncurrent Liabilities	<u>2,019,569</u>	<u>0</u>
Total Liabilities	<u>2,294,940</u>	<u>105,723</u>
Net Position		
Invested in Net Capital Assets	4,626,223	448,400
Unrestricted	2,767,693	838,441
Total Net Position	<u>\$ 7,393,916</u>	<u>\$ 1,286,841</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, 2013

Functions/Programs	Expenses	Program Revenues			Net(Expenses) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit
Governmental Activities						
General Government	\$ 593,545	\$ 37,144	\$ 474,000	\$ 0	\$ (82,401)	\$ 0
Public Safety	1,577,716	116,732	659,280	0	(801,704)	0
Public Works	1,178,414	187,194	436,076	50,000	(505,144)	0
Culture & Recreation	57,345	0	0	0	(57,345)	0
Health & Welfare	132,361	0	0	0	(132,361)	0
Interest on Long-Term Obligations	32,145	0	0	0	(32,145)	0
Total Governmental Activities	\$ 3,571,526	\$ 341,070	\$ 1,569,356	\$ 50,000	(1,611,100)	0
Component Unit	\$ 2,584,677	\$ 2,154,808	\$ 38,165	\$ 50,000	0	(341,704)
General Revenues						
Property Taxes					861,805	242,059
Gross Receipts Taxes					276,982	0
Motor Vehicle Taxes					278,577	0
Gasoline Taxes					54,903	0
Interest Income					30,351	5,520
Miscellaneous					127,545	0
Total General Revenues					1,630,163	247,579
Change in Net Position					19,063	(94,125)
Beginning Net Position					7,374,853	1,380,966
Ending Net Position					\$ 7,393,916	\$ 1,286,841

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, 2013

	General Fund	Special Revenue	
		Road Department	Transfer Station
ASSETS			
Cash and Cash Equivalents	\$ 1,418,637	\$ 957,565	\$ 266,398
Receivables (Net of Allowance for Uncollectible if Applicable)			
Taxes	5,892	30,615	0
Due from Grantor	0	0	0
Interfund Balance	11,213	0	0
Restricted Cash	0	87,610	0
Total Assets	<u>\$ 1,435,742</u>	<u>\$ 1,075,790</u>	<u>\$ 266,398</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	20,877	1,964	43,589
Accrued Salaries & Benefits	11,444	7,217	4,684
Total Liabilities	<u>32,321</u>	<u>9,181</u>	<u>48,273</u>
Fund Balances			
Restricted, reported in			
Special Revenue Fund	0	1,066,609	218,125
Capital Projects	0	0	0
Unassigned, reported in:			
General Fund	1,403,421	0	0
Special Revenue Fund	0	0	0
Total Fund Balances	<u>1,403,421</u>	<u>1,066,609</u>	<u>218,125</u>
Total Liabilities and Fund Balances	<u>\$ 1,435,742</u>	<u>\$ 1,075,790</u>	<u>\$ 266,398</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, 2013

	<u>Capital Project Transfer Station Construction</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 13,347	\$ 828,361	\$ 3,484,308
Receivables (Net of Allowance for Uncollectible if Applicable)			
Taxes	0	11,083	47,590
Due from Grantor	40,395	16,609	57,004
Interfund Balance	0	0	11,213
Restricted Cash	0	1,970	89,580
Total Assets	<u>\$ 53,742</u>	<u>\$ 858,023</u>	<u>\$ 3,689,695</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Interfund Balance	\$ 0	\$ 11,213	\$ 11,213
Accounts Payable	46,246	4,860	117,536
Accrued Salaries & Benefits	0	10,456	33,801
Total Liabilities	<u>46,246</u>	<u>26,529</u>	<u>162,550</u>
Fund Balances			
Restricted, reported in			
Special Revenue Fund	0	831,494	2,116,228
Capital Projects	7,496	0	7,496
Unassigned, reported in:			
General Fund	0	0	1,403,421
Special Revenue Fund	0	0	0
Total Fund Balances	<u>7,496</u>	<u>831,494</u>	<u>3,527,145</u>
Total Liabilities and Fund Balances	<u>\$ 53,742</u>	<u>\$ 858,023</u>	<u>\$ 3,689,695</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 Position
 June 30, 2013

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

Total Fund Balance - Governmental Funds	\$	3,527,145
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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	\$	13,079,296	
Accumulated depreciation		<u>(7,068,922)</u>	6,010,374

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	(1,384,151)	
Landfill Closure Cost	(736,500)	
Compensated Absences	<u>(22,952)</u>	<u>(2,143,603)</u>

Total Net Position - Governmental Activities	\$	<u><u>7,393,916</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
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2013

	General Fund	Special Revenue	
		Road Department	Transfer Station
Revenues			
Taxes			
Gross Receipts Tax	\$ 114,127	\$ 0	\$ 8,756
Property Taxes	861,805	0	0
Motor Vehicle Tax	7,837	270,740	0
Gasoline Tax	0	54,903	0
Federal Grants	0	0	0
State Grants	474,000	391,977	0
Joint Powers Agreements	0	0	0
Charges for Services	124,179	0	187,194
Fines & Forfeitures	36,505	0	0
Licenses & Permits	2,150	0	0
Interest Income	23,036	7,315	0
Miscellaneous	14,651	19,595	558
Total Revenues	<u>1,658,290</u>	<u>744,530</u>	<u>196,508</u>
Expenditures			
Current			
General Government	550,637	0	0
Public Safety	228,217	0	0
Public Works	76,610	527,995	344,646
Culture & Recreation	42,400	0	0
Health & Welfare	0	0	0
Capital Outlay	0	43,000	73,614
Debt Service			
Principal	0	58,699	0
Interest	0	16,386	0
Total Expenditures	<u>897,864</u>	<u>646,080</u>	<u>418,260</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>760,426</u>	<u>98,450</u>	<u>(221,752)</u>
Other Financing Sources (Uses)			
Net Transfers In/Out	(1,171,525)	0	461,905
Loan Proceeds	0	0	0
Total Other Sources (Uses)	<u>(1,171,525)</u>	<u>0</u>	<u>461,905</u>
Net Change in Fund Balance	(411,099)	98,450	240,153
Fund Balances at Beginning of Year	<u>1,814,520</u>	<u>968,159</u>	<u>(22,028)</u>
Fund Balances at End of Year	<u>\$ 1,403,421</u>	<u>\$ 1,066,609</u>	<u>\$ 218,125</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, 2013

	<u>Capital Project</u>		
	Transfer Station Construction	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Taxes			
Gross Receipts Tax	\$ 0	\$ 154,099	\$ 276,982
Property Taxes	0	0	861,805
Motor Vehicle Tax		0	278,577
Gasoline Tax		0	54,903
Federal Grants	0	67,240	67,240
State Grants	50,000	499,011	1,414,988
Joint Powers Agreements	0	137,128	137,128
Charges for Services	0	29,697	341,070
Fines & Forfeitures	0	36,203	72,708
Licenses & Permits	0	0	2,150
Interest Income	0	0	30,351
Miscellaneous	0	17,883	52,687
Total Revenues	<u>50,000</u>	<u>941,261</u>	<u>3,590,589</u>
Expenditures			
Current			
General Government	0	20,630	571,267
Public Safety	0	1,128,397	1,356,614
Public Works	0	36,912	986,163
Culture & Recreation	0	0	42,400
Health & Welfare	0	108,733	108,733
Capital Outlay	497,626	15,713	629,953
Debt Service			
Principal	0	26,252	84,951
Interest	0	15,759	32,145
Total Expenditures	<u>497,626</u>	<u>1,352,396</u>	<u>3,812,226</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(447,626)</u>	<u>(411,135)</u>	<u>(221,637)</u>
Other Financing Sources (Uses)			
Net Transfers In/Out	55,122	654,498	0
Loan Proceeds	400,000	0	400,000
Total Other Sources (Uses)	<u>455,122</u>	<u>654,498</u>	<u>400,000</u>
Net Change in Fund Balance	7,496	243,363	178,363
Fund Balances at Beginning of Year	<u>0</u>	<u>588,131</u>	<u>3,348,782</u>
Fund Balances at End of Year	<u>7,496</u> \$	<u>831,494</u> \$	<u>3,527,145</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, 2013

Net Change in Fund Balance	\$	178,363
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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 Position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Depreciation expense	\$	(480,560)	
Capital Outlays		629,953	149,393

The issuance of long-term debt provides current financial resources to governmental funds but has no effect on Net Position.	(400,000)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	84,951
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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 June 30, 2012	29,308	
Accrued Compensated Absences June 30, 2013	(22,952)	6,356

Changes in Net Position of Governmental Activities	\$	19,063
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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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 95,000	\$ 95,000	\$ 113,395	\$ 18,395
Property Taxes	594,423	594,423	670,986	76,563
Payment in Lieu of Taxes	100,000	100,000	190,819	90,819
Motor Vehicle Taxes	8,500	8,500	7,924	(576)
Charge for Services	32,590	32,590	124,179	91,589
Fees	0	0	23,120	23,120
License & Permits	2,300	2,300	2,150	(150)
State Grants	454,000	454,000	474,000	20,000
Penalties & Interest	3,000	3,000	13,385	10,385
Interest Income	28,000	28,000	23,036	(4,964)
Miscellaneous	168,065	168,065	14,651	(153,414)
Total Revenues	1,485,878	1,485,878	1,657,645	171,767
Expenditures				
Commissioners				
Personnel Services	125,900	125,900	65,892	60,008
Benefits	6,222	6,222	7,636	(1,414)
Operating Expenses	31,548	31,548	90,142	(58,594)
Capital Outlay	0	0	1,140	(1,140)
Total Commissioners	163,670	163,670	164,810	(1,140)
Probate				
Personnel Services	9,055	9,055	8,453	602
Benefits	1,365	1,365	593	772
Total Probate	10,420	10,420	9,046	1,374
Treasurer				
Personnel Services	107,097	107,097	99,002	8,095
Benefits	3,451	3,451	14,209	(10,758)
Operating Expenses	31,365	31,365	56,470	(25,105)
Total Treasurer	141,913	141,913	169,681	(27,768)
Assessor				
Personnel Services	86,462	86,462	60,078	26,384
Benefits	1,280	1,280	13,651	(12,371)
Operating Expenses	4,309	4,309	3,640	669
Total Assessor	\$ 92,051	\$ 92,051	\$ 77,369	4 14,682

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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Clerk				
Personnel Services	\$ 100,231	\$ 100,231	\$ 67,194	4 33,037
Benefits	3,716	3,716	23,274	(19,558)
Operating Expenses	18,364	18,364	13,799	4,565
Total Clerk	<u>122,311</u>	<u>122,311</u>	<u>104,267</u>	<u>18,044</u>
Election				
Operating Expenses	12,200	12,200	7,433	4,767
Total Election	<u>12,200</u>	<u>12,200</u>	<u>7,433</u>	<u>4,767</u>
Public Safety				
Sheriff				
Personnel Services	258,979	258,979	143,770	115,209
Benefits	21,636	21,636	32,063	(10,427)
Operating Expenses	37,184	37,184	48,701	(11,517)
Total Sheriff	<u>317,799</u>	<u>317,799</u>	<u>224,534</u>	<u>93,265</u>
Public Works				
Maintenance				
Personnel Services	0	0	11,128	(11,128)
Benefits	0	0	1,722	(1,722)
Operating Expenses	83,050	83,050	64,162	18,888
Total Maintenance	<u>83,050</u>	<u>83,050</u>	<u>77,012</u>	<u>6,038</u>
Culture & Recreation				
Operating Expenses	42,400	42,400	42,400	0
Total Culture & Recreation	<u>42,400</u>	<u>42,400</u>	<u>42,400</u>	<u>0</u>
Total Expenditures	<u>985,814</u>	<u>985,814</u>	<u>876,552</u>	<u>109,262</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>500,064</u>	<u>500,064</u>	<u>781,093</u>	<u>62,505</u>
Other Financing Sources				
Transfer to Emergency Management	11,732	11,732	3,299	8,433
Transfer to Corrections	363,320	363,320	363,320	0
Transfer to Property Valuation	4,031	4,031	4,031	0
Transfer to Communications	213,107	213,107	213,107	0
Transfer to TS Construction	60,518	60,518	60,518	0
Transfer to Farm & Range	27,250	27,250	27,250	0
Transfer to Solid Waste	500,000	500,000	500,000	0
Total Other Financing Sources	<u>\$ 1,179,958</u>	<u>\$ 1,179,958</u>	<u>\$ 1,171,525</u>	<u>\$ 8,433</u>

STATE OF NEW MEXICO

DE BACA COUNTY

GENERAL FUND

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

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Net Changes in Cash Balance	\$ (679,894)	\$ (679,894)	\$ (390,432)	\$ 54,072
Cash Balance Beginning of Year	<u>1,820,282</u>	<u>1,820,282</u>	<u>1,820,282</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,140,388</u>	<u>\$ 1,140,388</u>	<u>\$ 1,429,850</u>	<u>\$ 54,072</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (390,432)	
Net Change in Taxes Receivable			645	
Net Change in Accounts Payable			(13,805)	
Net Change in Accrued Payroll			<u>(7,507)</u>	
Net Changes in Fund Balance-GAAP Basis			<u>\$ (411,099)</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Motor Vehicle Taxes	\$ 277,000	\$ 277,000	\$ 272,250	\$ (4,750)
Gasoline Taxes	60,000	60,000	57,347	(2,653)
Rents	0	0	14,545	14,545
State Grants	265,000	265,000	391,977	126,977
Interest Income	7,500	7,500	7,314	(186)
Miscellaneous	0	0	5,050	5,050
Total Revenues	<u>609,500</u>	<u>609,500</u>	<u>748,483</u>	<u>138,983</u>
Expenditures				
Public Works				
Personnel Services	338,396	338,396	257,019	81,377
Benefits	32,018	32,018	44,501	(12,483)
Operating Expenses	193,700	193,700	269,408	(75,708)
Capital Outlay	92,000	92,000	14,092	77,908
Debt Service				
Principal	120,000	120,000	58,699	61,301
Interest	0	0	16,386	(16,386)
Total Expenditures	<u>776,114</u>	<u>776,114</u>	<u>660,105</u>	<u>132,395</u>
Excess (Deficiency) of Revenues Over Expenditures	(166,614)	(166,614)	88,378	254,992
Cash Balance Beginning of Year	<u>956,797</u>	<u>956,797</u>	<u>956,797</u>	<u>0</u>
Cash Balance End of Year	\$ <u>790,183</u>	\$ <u>790,183</u>	\$ <u>1,045,175</u>	\$ <u>254,992</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 88,378	
Net Change in Taxes Receivable			(3,952)	
Net Change in Accounts Payable			16,226	
Net Change in Accrued Payroll			(2,202)	
Net Changes in Fund Balance-GAAP Basis			\$ <u>98,450</u>	

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

STATE OF NEW MEXICO

DE BACA COUNTY

SPECIAL REVENUE FUND-TRANSFER STATION FUND

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

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 175,000	\$ 175,000	\$ 187,194	\$ 12,194
Environmental Gross Receipts Tax	8,500	8,500	8,756	256
Miscellaneous	0	0	558	558
Total Revenues	<u>183,500</u>	<u>183,500</u>	<u>196,508</u>	<u>13,008</u>
Expenditures				
Public Works				
Personnel Service	80,000	80,000	94,463	(14,463)
Benefits	20,000	20,000	17,171	2,829
Operating Expenses	433,600	433,600	197,911	235,689
Capital Outlay	50,000	50,000	73,614	(23,614)
Total Expenditures	<u>583,600</u>	<u>583,600</u>	<u>383,159</u>	<u>200,441</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(400,100)</u>	<u>(400,100)</u>	<u>(186,651)</u>	<u>213,449</u>
Other Financing Sources (Uses)				
Transfer from General Fund	500,000	500,000	461,905	(38,095)
Total Other Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>461,905</u>	<u>(38,095)</u>
Net Change in Cash Balance	99,900	99,900	275,254	175,354
Cash Balance Beginning of Year	<u>(8,856)</u>	<u>(8,856)</u>	<u>(8,856)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 91,044</u>	<u>\$ 91,044</u>	<u>\$ 266,398</u>	<u>\$ 175,354</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ 275,254	
Net Change in Accounts Payable			(31,495)	
Net Change in Accrued Payroll			(3,606)	
Net Changes in Fund Balance-GAAP Basis			<u>\$ 240,153</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
June 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 0
Receivables	
Property Taxes	171,724
Total Assets	<u>\$ 171,724</u>
LIABILITIES	
Due to other taxing units	<u>\$ 171,724</u>
Total Liabilities	<u>\$ 171,724</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. 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

Government-Wide Financial Statements (GWFS)

The government-wide financial statements (the statement of Net Position and the statement of changes in Net Position) 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 Position at the fund financial statement level. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Program Revenues

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

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

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

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

Special Revenue Fund

Road - 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.

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

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.

Additionally, the county reports the following non-major funds types:

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

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 Position 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 Position

Net Position represent the difference between assets and liabilities. Net Position 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 Position 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.

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2013

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 06/30/2013	Reconciled Balance	<u>Type</u>
De Baca County NOW Account	\$ 384,399	\$ 238,890	Interest Bearing-Checking
De Baca County MMA Account	3,204,401	3,245,724	Interest Bearing-Checking
TOTAL Deposited	<u>3,588,800</u>	<u>\$ 3,484,614</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	3,338,800		
50% collateral requirement	1,669,400		
Pledged securities	<u>2,165,420</u>		
Over (Under) requirement	<u>\$ 496,020</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	\$ 1,406,568	01/20/2040	Independent Bank, Dallas, TX
GNMA Pool #				
80846	36225C4L7	708,497	02/20/2034	Independent Bank, Dallas, TX
GNMA Pool #				
80848	36225C5J1	<u>50,355</u>	03/20/2034	Independent Bank, Dallas, TX
		<u>\$ 2,165,420</u>		

Cash on hand was \$300.

<u>Name of Account</u>	Balance Per Bank 06/30/2013	Reconciled Balance
County Reserve	1,964	1,964
Roads	87,610	87,610
Valley Fire Department	6	6
TOTAL Deposited	<u>89,574</u>	<u>\$ 89,574</u>
Less: FDIC Coverage	<u>(89,574)</u>	
Uninsured Amount	0	
50% collateral requirement	0	
Pledged securities	<u>0</u>	
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, 2013

Custodial Credit Risk-Deposits	Bank Balance
<u>Depository Account</u>	
Insured	\$ 339,574
Collateralized:	
Collateral held by the pledging bank in County's name	2,159,713
Uninsured and uncollateralized	1,179,087
Total Deposits	<u>\$ 3,678,374</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, 2013 \$1,179,087 of the County's bank balance of \$3,678,374 was exposed to custodial credit risk.

Component Unit:
Citizens Bank of Clovis

<u>Name of Account</u>	Balance Per Bank 06/30/2013	Reconciled Balance	<u>Type</u>
De Baca Family Practice Clinic	\$ 671,948	\$ 662,235	Non-Interest Bearing-Checking
TOTAL Deposited	671,948	<u>662,235</u>	
Less: FDIC Coverage	(250,000)		
Uninsured Amount	421,948		
50% collateral requirement	210,974		
Pledged securities	638,430		
Over (Under) requirement	<u>\$ 427,456</u>		

The following securities are pledged:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
GNMA II Pool # 4540	36202FBH8	\$ 575,112	09/20/2039	Independent Bank, Dallas, TX
GNMA II Pool # 80729	36225CY34	63,318	08/20/2033	Independent Bank, Dallas, TX
		<u>\$ 638,430</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, 2013 none of the Clinic's bank balance of \$671,948 was exposed to custodial credit risk.

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2013

NOTE 4: RECEIVABLES

Receivables as of June 30, 2013, were as follows:

<u>Receivables</u>	<u>General</u>	<u>Roads</u>	<u>Transfer Station Construction</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Taxes:					
Gross Receipts	\$ 5,892	\$ 0	\$ 0	\$ 11,083	\$ 16,975
Motor Vehicle		22,551	0	0	22,551
Gasoline Tax	0	8,064	0	0	8,064
Due from Grantor	0	0	40,395	16,609	57,004
	<u>\$ 5,892</u>	<u>\$ 30,615</u>	<u>\$ 40,395</u>	<u>\$ 27,692</u>	<u>\$ 104,594</u>

NOTE 5: TAX ROLL RECONCILIATION

Property taxes receivable, beginning of year	\$ 58,912
Changes to tax roll:	
Net taxes charged to treasurer for fiscal year	1,807,493
Adjustments:	
Changes in taxes receivables	0
Charge off of taxes receivables	<u>0</u>
Total receivables prior to collections	1,866,405
Collections for fiscal year ended June 30, 2013	(1,835,997)
Unexplained Difference-see finding	<u>141,316</u>
Property taxes receivable, end of year	<u>\$ 171,724</u>
Property Taxes Receivable by Year	
2004-2012	\$ 94,880
2013	<u>76,844</u>
	<u>\$ 171,724</u>

NOTE 6: INTERFUND RECEIVABLES

Interfund transfers reflect a temporary transfer of cash due to temporary needs within the fund. The composition of interfund receivables during the year ended June 30, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Funds</u>	
	<u>Nonmajor Funds</u>	<u>Totals</u>
General	\$ 11,213	\$ 11,213
Totals	<u>\$ 11,213</u>	<u>\$ 11,213</u>

NOTE 7: INTERFUND TRANSFERS

Interfund transfers at the fiscal year end were as follows:

	Transfer In			Totals
	Transfer Station	Transfer Station Construction	Non-Major Governmental Funds	
Transfers Out				
General	\$ <u>461,905</u>	\$ <u>55,122</u>	\$ <u>654,498</u>	\$ <u>1,171,525</u>

NOTE 8: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2013, is as follows:

	Balance 06/30/2012	Additions	Deductions	Ending Balances 06/30/2013
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 75,493	\$	\$ 0	\$ 75,493
Total Capital Assets, not being Depreciated	<u>75,493</u>	<u>0</u>	<u>0</u>	<u>75,493</u>
Capital Assets, being Depreciated				
Land Improvements	7,238	0	0	7,238
Infrastructure	822,987	0	0	822,987
Buildings & Improvements	5,635,100	455,001	0	6,090,101
Equipment	5,908,525	174,952	0	6,083,477
Total Capital Assets, being Depreciated	<u>12,373,850</u>	<u>629,953</u>	<u>0</u>	<u>13,003,803</u>
Total Capital Assets	<u>12,449,343</u>	<u>629,953</u>	<u>0</u>	<u>13,079,296</u>
Less Accumulated Depreciation				
Land Improvements	7,238	0	0	7,238
Buildings & Improvements	79,656	16,460	0	96,116
Infrastructure	3,241,175	109,256	0	3,350,431
Equipment	3,260,293	354,844	0	3,615,137
Total Accumulated Depreciation	<u>6,588,362</u>	<u>480,560</u>	<u>0</u>	<u>7,068,922</u>
Capital Assets, net	\$ <u>5,860,981</u>	\$ <u>149,393</u>	\$ <u>0</u>	\$ <u>6,010,374</u>

Depreciation expense was charged to governmental activities as follows:

General	\$ 20,052
Public Safety	228,333
Public Works	193,602
Culture & Recreation	14,945
Health & Welfare	23,628
Total depreciation expenses	\$ <u>480,560</u>

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2013

Component Unit:

De Baca Family Practice Clinic

Capital asset activity consists of the following at June 30, 2013:

	Balance 06/30/2012	Increases	Decreases	Balance 06/30/2013
Leasehold Improvements	\$ 482,725	\$ 3,108	\$ 0	\$ 485,833
Medical Equipment	408,966	0	0	408,966
Dental Equipment	137,010	50,000	0	187,010
Office Equipment	90,432	24,406	0	114,838
Maintenance Equipment	13,188	0	0	13,188
Total Depreciable Assets	<u>1,132,321</u>	<u>77,514</u>	<u>0</u>	<u>1,209,835</u>
Less Accumulated Depreciation				
Leasehold Improvements	146,374	33,534	0	179,908
Medical Equipment	312,681	38,822	0	351,503
Dental Equipment	131,267	5,103	0	136,370
Office Equipment	74,948	7,373	0	82,321
Maintenance Equipment	10,388	945	0	11,333
Total Accumulated Depreciation	<u>675,658</u>	<u>85,777</u>	<u>0</u>	<u>761,435</u>
Capital Assets, net	<u>\$ 456,663</u>	<u>\$ (8,263)</u>	<u>\$ 0</u>	<u>\$ 448,400</u>

Depreciation was \$85,777 for the year ended June 30, 2013, 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 06/30/2012	Additions	Reductions	Balance 06/30/2013	Amounts Due Within One Year
Governmental Activities					
Notes Payable	\$ 1,069,102	\$ 400,000	\$ 84,951	\$ 1,384,151	\$ 101,082
Compensated Absences	29,308	43,695	50,051	22,952	22,952
Long-Term Liabilities	<u>\$ 1,098,410</u>	<u>\$ 443,695</u>	<u>\$ 135,002</u>	<u>\$ 1,407,103</u>	<u>\$ 124,034</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%	\$ 28,000
2000	NMFA	08/11/20	193,527	5.95%	37,215
2008	NMFA	11/01/20	727,419	3.00%	454,456
2012	NMFA	06/01/27	477,456	1.62%	464,480
2013	RIP	03/22/33	400,000	3.00%	400,000
					<u>\$ 1,384,151</u>

The annual requirements to amortize the general obligation bonds as of June 30, 2013, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 101,082	\$ 37,126	\$ 138,208
2015	122,085	34,185	156,270
2016	125,733	30,893	156,626
2117	118,645	27,658	146,303
2018	121,793	24,524	146,317
2019-2024	412,868	74,607	487,475
2025-2029	258,814	31,890	290,704
2030-2033	123,131	11,300	134,431
	<u>\$ 1,384,151</u>	<u>\$ 272,183</u>	<u>\$ 1,656,334</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

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

Funding Policy. Non-police plan members are required to contribute 9.15% of their gross salary. The county is required to contribute 9.15% of the gross covered salary. Police plan members are required to contribute 16.3% of their gross salary. The county is required to contribute 18.5% of the gross covered salary. The contribution requirements of the plan members and the county are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The county's contributions to PERA for the fiscal years ending June 30, 2013, 2012 and 2011 were \$108,979, \$101,113, and \$97,683, respectively, which equal the amount of the required for each fiscal year.

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

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: 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 15: 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 owed 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 \$8,585. The Village contributed \$7,328.

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, 2013, 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, 2013. However, post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 16: FEDERAL AND STATE GRANTS

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

NOTE 17: 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. This component unit is discretely presented in this audit report.

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. This component unit is not included in this audit report.

NOTE 18: 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 19: PROPERTY TAXES

The County collects the property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the City on a monthly basis. The City accounts for its share of property taxes in the General and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

NOTE 20: JOINT POWERS AGREEMENTS

E-911 Services

Participants: De Baca County and Village of Fort Sumner
Responsible Party: Village of Fort Sumner
De Baca County and Village of Fort Sumner have
Description: agreed to the need for a consolidated E-911
Communications System and Law Enforcement
Period: August 3, 2006 to June 30, 2013 with the option to
renew on a year to year basis.
Project Costs: Undeterminable
County Contribution: \$278,656
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 a county wide solid waste fee to support operations and maintenance of the collection center and transfers
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
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

STATE OF NEW MEXICO

DE BACA COUNTY

CAPITAL PROJECTS FUND-TRANSFER STATION FUND

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

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 160,282	\$ 160,282	\$ 160,282	\$ 0
Total Revenues	<u>160,282</u>	<u>160,282</u>	<u>160,282</u>	<u>0</u>
Expenditures				
Public Works				
Equipment	50,000	50,000	42,625	7,375
Capital Outlay	<u>433,600</u>	<u>433,600</u>	<u>408,755</u>	<u>24,845</u>
Total Expenditures	<u>483,600</u>	<u>483,600</u>	<u>451,380</u>	<u>32,220</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(323,318)</u>	<u>(323,318)</u>	<u>(291,098)</u>	<u>32,220</u>
Other Financing Sources (Uses)				
Loan Proceeds	400,000	400,000	359,606	(40,394)
Transfers	<u>60,518</u>	<u>60,518</u>	<u>55,121</u>	<u>5,397</u>
Total Other Sources (Uses)	<u>460,518</u>	<u>460,518</u>	<u>414,727</u>	<u>(34,997)</u>
Net Changes in Cash Balance	137,200	137,200	123,629	(13,571)
Cash Balance Beginning of Year	<u>(110,282)</u>	<u>(110,282)</u>	<u>(110,282)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>26,918</u>	\$ <u>26,918</u>	\$ <u>13,347</u>	\$ <u>(13,571)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ 123,629	
Net Change in Due from Grantor			(69,887)	
Net Change in Accounts Payable			<u>(46,246)</u>	
Net Changes in Fund Balances-GAAP Basis			\$ <u>7,496</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

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

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

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.

Corrections

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

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

Valley Forestry Fire

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

Lake Sumner Fire

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

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

Lake Sumner EMS

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.

NONMAJOR GOVERNMENTAL FUNDS

Ambulance

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

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

Emergency Management

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

Homeland Security

To account for revenue from a federal grant for expenditures for training and related expenditures to prepare county personnel for emergency preparedness.

Law Enforcement

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

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

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

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

Misdemeanor Compensation

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

Farm & Range

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.

Fair Grounds

To account for revenues received from the rent of the fair ground facilities, donations for the awards and livestock premium sale and related expenditures. Authority for the fund creation was by resolution.

NONMAJOR GOVERNMENTAL FUNDS

County Environmental

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.

Landfill Closure

To account for expenditures for the closure of the landfill. Funding is provided by grants, environmental gross receipts tax and transfers from the general fund. Authority for the fund creation was by resolution.

County Indigent

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

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, 2013

	Special Revenue Funds		
	Property Valuation	Recording & Equipment	County Reserve
ASSETS			
Cash and Cash Equivalents	\$ 24,890	\$ 9,565	\$ 26,193
Receivables			
Taxes	0	0	556
Due from Grantor	0	0	0
Restricted Cash	0	0	1,964
Total Assets	<u>\$ 24,890</u>	<u>\$ 9,565</u>	<u>\$ 28,713</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	<u>24,890</u>	<u>9,565</u>	<u>28,713</u>
Total Fund Balance	<u>24,890</u>	<u>9,565</u>	<u>28,713</u>
Total Liabilities and Fund Balance	<u>\$ 24,890</u>	<u>\$ 9,565</u>	<u>\$ 28,713</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, 2013

	Special Revenue Funds		
	Corrections	Valley Fire	Valley Forestry Fire
ASSETS			
Cash and Cash Equivalents	\$ 9,256	\$ 167,298	\$ 31,742
Receivables			
Taxes	2,272	0	0
Due from Grantor	0	0	0
Restricted Cash	0	6	0
Total Assets	<u>\$ 11,528</u>	<u>\$ 167,304</u>	<u>\$ 31,742</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	2,103	366	0
Accrued Salaries & Benefits	4,946	0	0
Total Liabilities	<u>7,049</u>	<u>366</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	4,479	166,938	31,742
Total Fund Balance	<u>4,479</u>	<u>166,938</u>	<u>31,742</u>
Total Liabilities and Fund Balance	<u>\$ 11,528</u>	<u>\$ 167,304</u>	<u>\$ 31,742</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, 2013

	Special Revenue Funds		
	Lake Sumner Fire	Lake Sumner Forestry Fire	Lake Sumner EMS
ASSETS			
Cash and Cash Equivalents	\$ 75,068	\$ 23,442	\$ 6,169
Receivables			
Taxes	0	0	0
Due from Grantor	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 75,068</u>	<u>\$ 23,442</u>	<u>\$ 6,169</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	229	0	0
Accrued Salaries & Benefits	0	0	0
Total Liabilities	<u>229</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	<u>74,839</u>	<u>23,442</u>	<u>6,169</u>
Total Fund Balance	<u>74,839</u>	<u>23,442</u>	<u>6,169</u>
Total Liabilities and Fund Balance	<u>\$ 75,068</u>	<u>\$ 23,442</u>	<u>\$ 6,169</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, 2013

	Special Revenue Funds		
	Ambulance	Communications	Enhanced 911
ASSETS			
Cash and Cash Equivalents	\$ 5,558	\$ 124,811	\$ 0
Receivables			
Taxes	1,395	4,161	0
Due from Grantor	0	0	9,863
Restricted Cash	0	0	0
Total Assets	<u>\$ 6,953</u>	<u>\$ 128,972</u>	<u>\$ 9,863</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 9,863
Accounts Payable	0	379	0
Accrued Salaries & Benefits	0	3,831	0
Total Liabilities	<u>0</u>	<u>4,210</u>	<u>9,863</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	<u>6,953</u>	<u>124,762</u>	<u>0</u>
Total Fund Balance	<u>6,953</u>	<u>124,762</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 6,953</u>	<u>\$ 128,972</u>	<u>\$ 9,863</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, 2013

	Special Revenue Funds		
	Emergency Management	Homeland Security	Law Enforcement
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 14,365
Receivables			
Taxes	0	0	0
Due from Grantor	1,350	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 1,350</u>	<u>\$ 0</u>	<u>\$ 14,365</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 1,350	\$ 0	\$ 0
Accounts Payable	0	0	225
Accrued Salaries & Benefits	0	0	0
Total Liabilities	<u>1,350</u>	<u>0</u>	<u>225</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	0	0	14,140
Total Fund Balance	<u>0</u>	<u>0</u>	<u>14,140</u>
Total Liabilities and Fund Balance	<u>\$ 1,350</u>	<u>\$ 0</u>	<u>\$ 14,365</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, 2013

	Special Revenue Funds		
	Sheriffs JPA	DARE	Canteen
ASSETS			
Cash and Cash Equivalents	\$ 13,592	\$ 995	\$ 0
Receivables			
Taxes	0	0	0
Due from Grantor	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 13,592</u>	<u>\$ 995</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Accrued Salaries & Benefits	1,679	0	0
Total Liabilities	<u>1,679</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	11,913	995	0
Total Fund Balance	<u>11,913</u>	<u>995</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 13,592</u>	<u>\$ 995</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, 2013

	Special Revenue Funds		
	Misdemeanor Compensation	Farm & Range	Fair Grounds
ASSETS			
Cash and Cash Equivalents	\$ 903	\$ 545	\$ 9,331
Receivables			
Taxes	0	0	0
Due from Grantor	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 903</u>	<u>\$ 545</u>	<u>\$ 9,331</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	593
Accrued Salaries & Benefits	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>593</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	<u>903</u>	<u>545</u>	<u>8,738</u>
Total Fund Balance	<u>903</u>	<u>545</u>	<u>8,738</u>
Total Liabilities and Fund Balance	<u>\$ 903</u>	<u>\$ 545</u>	<u>\$ 9,331</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, 2013

	Special Revenue Funds		
	Environmental	Landfill Closure	Indigent
ASSETS			
Cash and Cash Equivalents	0 \$	21,294 \$	113,581
Receivables			
Taxes	0	698	2,001
Due from Grantor	0	5,396	0
Restricted Cash	0	0	0
Total Assets	<u>0 \$</u>	<u>27,388 \$</u>	<u>115,582</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	0 \$	0 \$	0
Accounts Payable	0	0	965
Accrued Salaries & Benefits	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>965</u>
Fund Balance			
Restricted, reported in			
Special Revenue Fund	0	27,388	114,617
Total Fund Balance	<u>0</u>	<u>27,388</u>	<u>114,617</u>
Total Liabilities and Fund Balance	<u>0 \$</u>	<u>27,388 \$</u>	<u>115,582</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, 2013

	<u>Special Revenue</u>	
	<u>Hospital</u>	<u>Total</u>
ASSETS		
Cash and Cash Equivalents	\$ 149,763	\$ 828,361
Receivables		
Taxes	0	11,083
Due from Grantor	0	16,609
Restricted Cash	0	1,970
Total Assets	<u>\$ 149,763</u>	<u>\$ 858,023</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Interfund Balance	\$ 0	\$ 11,213
Accounts Payable	0	4,860
Accrued Salaries & Benefits	0	10,456
Total Liabilities	<u>0</u>	<u>26,529</u>
Fund Balance		
Restricted, reported in		
Special Revenue Fund	<u>149,763</u>	<u>831,494</u>
Total Fund Balance	<u>149,763</u>	<u>831,494</u>
 Total Liabilities and Fund Balance	 <u>\$ 149,763</u>	 <u>\$ 858,023</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, 2013

	Special Revenue Funds		
	Property Valuation	Recording & Equipment	County Reserve
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 7,671
Federal Grants	0	0	0
State Grants	0	0	0
Joint Powers Agreements	0	0	0
Charges for Service	18,520	5,544	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	210	0	0
Total Revenues	<u>18,730</u>	<u>5,544</u>	<u>7,671</u>
Expenditures			
Current			
General Government	19,496	1,134	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	5,276
Interest	0	0	93
Total Expenditures	<u>19,496</u>	<u>1,134</u>	<u>5,369</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(766)</u>	<u>4,410</u>	<u>2,302</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	4,031	0	0
Total Other Financing Sources (Uses)	<u>4,031</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	3,265	4,410	2,302
Fund Balances at Beginning of Year	<u>21,625</u>	<u>5,155</u>	<u>26,411</u>
Fund Balance End of Year	<u>\$ 24,890</u>	<u>\$ 9,565</u>	<u>\$ 28,713</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, 2013

	Special Revenue Funds		
	Corrections	Valley Fire	Valley Forestry Fire
Revenues			
Taxes			
Gross Receipts	\$ 31,478	\$ 0	\$ 0
Federal Grants	0	0	0
State Grants	0	105,911	0
Joint Powers Agreements	0	0	0
Charges for Service	0	0	4,859
Fines & Forfeitures	32,242	0	0
Interest Income	0	0	0
Miscellaneous	780	1,945	2,355
Total Revenues	<u>64,500</u>	<u>107,856</u>	<u>7,214</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	372,930	31,273	6,174
Public Works	0	0	0
Health & Welfare	0	0	0
Capital Outlay	0	15,713	0
Debt Service			
Principal	0	12,976	0
Interest	0	13,514	0
Total Expenditures	<u>372,930</u>	<u>73,476</u>	<u>6,174</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(308,430)</u>	<u>34,380</u>	<u>1,040</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>363,320</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>363,320</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	54,890	34,380	1,040
Fund Balances at Beginning of Year	<u>(50,411)</u>	<u>132,558</u>	<u>30,702</u>
Fund Balance End of Year	<u>\$ 4,479</u>	<u>\$ 166,938</u>	<u>\$ 31,742</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, 2013

	Special Revenue Funds		
	Lake Sumner Fire	Lake Sumner Forestry Fire	Lake Sumner EMS
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	0	0
State Grants	67,621	0	5,507
Joint Powers Agreements	0	0	0
Charges for Service	0	774	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	394	0	0
Total Revenues	<u>68,015</u>	<u>774</u>	<u>5,507</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	6,244	62	8,199
Public Works	0	0	0
Health & Welfare	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	8,000	0	0
Interest	2,152	0	0
Total Expenditures	<u>16,396</u>	<u>62</u>	<u>8,199</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>51,619</u>	<u>712</u>	<u>(2,692)</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	51,619	712	(2,692)
Fund Balances at Beginning of Year	<u>23,220</u>	<u>22,730</u>	<u>8,861</u>
Fund Balance End of Year	<u>\$ 74,839</u>	<u>\$ 23,442</u>	<u>\$ 6,169</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, 2013

	Special Revenue Funds		
	Ambulance	Communications	Enhanced 911
Revenues			
Taxes			
Gross Receipts	\$ 17,170	\$ 61,769	\$ 0
Federal Grants	0	0	0
State Grants	0	3,241	256,605
Joint Powers Agreements	0	25,000	0
Charges for Service	0	0	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	0	538	0
Total Revenues	<u>17,170</u>	<u>90,548</u>	<u>256,605</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	14,879	250,420	256,605
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>14,879</u>	<u>250,420</u>	<u>256,605</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,291</u>	<u>(159,872)</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	213,107	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>213,107</u>	<u>0</u>
Net Changes in Fund Balance	2,291	53,235	0
Fund Balances at Beginning of Year	<u>4,662</u>	<u>71,527</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 6,953</u>	<u>\$ 124,762</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	Special Revenue Funds		
	Emergency Management	Homeland Security	Law Enforcement
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	4,112	56,755	0
State Grants	0	0	22,400
Joint Powers Agreements	0	0	0
Charges for Service	0	0	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>4,112</u>	<u>56,755</u>	<u>22,400</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	7,411	56,755	21,809
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>7,411</u>	<u>56,755</u>	<u>21,809</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,299)</u>	<u>0</u>	<u>591</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>3,299</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>3,299</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	0	0	591
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>13,549</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,140</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, 2013

	Special Revenue Funds		
	Sheriffs JPA	DARE	Canteen
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	0	0
State Grants	0	0	0
Joint Powers Agreements	104,800	0	0
Charges for Service	0	0	0
Fines & Forfeitures	0	1,756	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>104,800</u>	<u>1,756</u>	<u>0</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	93,678	0	0
Public Works	0	3,000	412
Health & Welfare	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>93,678</u>	<u>3,000</u>	<u>412</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>11,122</u>	<u>(1,244)</u>	<u>(412)</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	11,122	(1,244)	(412)
Fund Balances at Beginning of Year	<u>791</u>	<u>2,239</u>	<u>412</u>
Fund Balance End of Year	<u>\$ 11,913</u>	<u>\$ 995</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	Special Revenue Funds		
	Misdemeanor Compensation	Farm & Range	Fair Grounds
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	6,373	0
State Grants	0	0	0
Joint Powers Agreements	0	0	0
Charges for Service	0	0	0
Fines & Forfeitures	2,205	0	0
Interest Income	0	0	0
Miscellaneous	0	0	11,661
Total Revenues	<u>2,205</u>	<u>6,373</u>	<u>11,661</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	1,958	0	0
Public Works	0	33,500	0
Health & Welfare	0	0	2,923
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>1,958</u>	<u>33,500</u>	<u>2,923</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>247</u>	<u>(27,127)</u>	<u>8,738</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	27,250	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>27,250</u>	<u>0</u>
Net Changes in Fund Balance	247	123	8,738
Fund Balances at Beginning of Year	<u>656</u>	<u>422</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 903</u>	<u>\$ 545</u>	<u>\$ 8,738</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, 2013

	Special Revenue Funds		
	Environmental	Landfill Closure	Indigent
Revenues			
Taxes			
Gross Receipts	\$ 7,887	\$ 698	\$ 27,426
Federal Grants	0	0	0
State Grants	0	37,726	0
Joint Powers Agreements	0	7,328	0
Charges for Service	0	0	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>7,887</u>	<u>45,752</u>	<u>27,426</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Health & Welfare	0	81,217	24,593
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>81,217</u>	<u>24,593</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,887</u>	<u>(35,465)</u>	<u>2,833</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	(19,362)	62,853	0
Total Other Financing Sources (Uses)	<u>(19,362)</u>	<u>62,853</u>	<u>0</u>
Net Changes in Fund Balance	(11,475)	27,388	2,833
Fund Balances at Beginning of Year	<u>11,475</u>	<u>0</u>	<u>111,784</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 27,388</u>	<u>\$ 114,617</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, 2013

	Special Revenue	
	Hospital	Total
Revenues		
Taxes		
Gross Receipts	\$ 0	\$ 154,099
Federal Grants	0	67,240
State Grants	0	499,011
Joint Powers Agreements	0	137,128
Charges for Service	0	29,697
Fines & Forfeitures	0	36,203
Interest Income	0	0
Miscellaneous	0	17,883
Total Revenues	<u>0</u>	<u>941,261</u>
Expenditures		
Current		
General Government	0	20,630
Public Safety	0	1,128,397
Public Works	0	36,912
Health & Welfare	0	108,733
Capital Outlay	0	15,713
Debt Service		
Principal	0	26,252
Interest	0	15,759
Total Expenditures	<u>0</u>	<u>1,352,396</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(411,135)</u>
Other Financing Sources (Uses)		
Transfers In/(Out)	0	654,498
Total Other Financing Sources (Uses)	<u>0</u>	<u>654,498</u>
Net Changes in Fund Balance	0	243,363
Fund Balances at Beginning of Year	<u>149,763</u>	<u>588,131</u>
Fund Balance End of Year	<u>\$ 149,763</u>	<u>\$ 831,494</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge for Services	\$ 18,000	\$ 18,000	\$ 18,520	\$ 520
Miscellaneous	0	0	210	210
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>18,730</u>	<u>730</u>
Expenditures				
General Government				
Personnel Services	22,490	22,490	5,503	16,987
Benefits	1,900	1,900	1,262	638
Operating Expenses	<u>13,536</u>	<u>13,536</u>	<u>12,731</u>	<u>805</u>
Total Expenditures	<u>37,926</u>	<u>37,926</u>	<u>19,496</u>	<u>18,430</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(19,926)</u>	<u>(19,926)</u>	<u>(766)</u>	<u>19,160</u>
Other Financing Sources (Uses)				
Transfer from General	<u>4,031</u>	<u>4,031</u>	<u>4,031</u>	<u>0</u>
Total Other Sources (Uses)	<u>4,031</u>	<u>4,031</u>	<u>4,031</u>	<u>0</u>
Net Changes in Cash Balance	(15,895)	(15,895)	3,265	19,160
Cash Balance Beginning of Year	<u>21,625</u>	<u>21,625</u>	<u>21,625</u>	<u>0</u>
Cash Balance End of Year	\$ <u>5,730</u>	\$ <u>5,730</u>	\$ <u>24,890</u>	\$ <u>19,160</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ <u>3,265</u>	
Net Changes in Fund Balances-GAAP Basis			\$ <u>3,265</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge For Services	\$ 5,000	\$ 5,000	\$ 5,544	\$ 544
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>5,544</u>	<u>544</u>
Expenditures				
General Government				
Operating Expenses	5,000	5,000	1,134	3,866
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>1,134</u>	<u>3,866</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	4,410	4,410
Cash Balance Beginning of Year	<u>5,155</u>	<u>5,155</u>	<u>5,155</u>	<u>0</u>
Cash Balance End of Year	\$ <u>5,155</u>	\$ <u>5,155</u>	\$ <u>9,565</u>	\$ <u>4,410</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>4,410</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>4,410</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 7,500	\$ 7,500	\$ 7,589	\$ 89
Total Revenues	<u>7,500</u>	<u>7,500</u>	<u>7,589</u>	<u>89</u>
Expenditures				
General Government				
Debt Service				
Principal	5,400	5,400	5,276	124
Interest & Fees	0	0	93	(93)
Total Expenditures	<u>5,400</u>	<u>5,400</u>	<u>5,369</u>	<u>31</u>
Excess (Deficiency) of Revenues Over Expenditures	2,100	2,100	2,220	120
Cash Balance Beginning of Year	<u>25,937</u>	<u>25,937</u>	<u>25,937</u>	<u>0</u>
Cash Balance End of Year	\$ <u>28,037</u>	\$ <u>28,037</u>	\$ <u>28,157</u>	\$ <u>120</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,220	
Net Change in Taxes Receivable			82	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,302</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 FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Taxes	\$ 30,000	\$ 30,000	\$ 31,151	\$ 1,151
Fees	33,450	33,450	32,242	1,208
Miscellaneous	0	0	780	(780)
Total Revenues	<u>63,450</u>	<u>63,450</u>	<u>64,173</u>	<u>1,579</u>
Expenditures				
Public Safety				
Personnel Services	277,862	277,862	231,059	46,803
Benefits	20,000	20,000	35,735	(15,735)
Operating Expenses	82,550	82,550	105,100	(22,550)
Total Expenditures	<u>380,412</u>	<u>380,412</u>	<u>371,894</u>	<u>8,518</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(316,962)</u>	<u>(316,962)</u>	<u>(307,721)</u>	<u>9,241</u>
Other Financing Sources (Uses)				
Transfer from General	363,320	363,320	363,320	0
Total Other Sources (Uses)	<u>363,320</u>	<u>363,320</u>	<u>363,320</u>	<u>0</u>
Net Changes in Cash Balance	46,358	46,358	55,599	9,241
Cash Balance Beginning of Year	<u>(46,343)</u>	<u>(46,343)</u>	<u>(46,343)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>15</u>	\$ <u>15</u>	\$ <u>9,256</u>	\$ <u>9,241</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ 55,599	
Net Change in Taxes Receivable			326	
Net Change in Accounts Payable			(593)	
Net Change in Accrued Payroll			(442)	
Net Changes in Fund Balances-GAAP Basis			<u>\$ 54,890</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 105,911	\$ 105,911	\$ 105,911	\$ 0
Miscellaneous	0	0	1,945	1,945
Total Revenues	<u>105,911</u>	<u>105,911</u>	<u>107,856</u>	<u>1,945</u>
Expenditures				
Public Safety				
Operating Expenses	47,550	47,550	31,637	15,913
Capital Outlay	18,183	18,183	15,713	2,470
Debt Services				
Principal	19,600	19,600	12,976	6,624
Interest	0	0	13,514	(13,514)
Total Expenditures	<u>85,333</u>	<u>85,333</u>	<u>73,840</u>	<u>11,493</u>
Excess (Deficiency) of Revenues Over Expenditures	20,578	20,578	34,016	13,438
Cash Balance Beginning of Year	<u>133,288</u>	<u>133,288</u>	<u>133,288</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 153,866</u>	<u>\$ 153,866</u>	<u>\$ 167,304</u>	<u>\$ 13,438</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 34,016	
Net Change in Accounts Payable			364	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 34,380</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge For Services	\$ 20,000	\$ 20,000	\$ 4,859	\$ (15,141)
Miscellaneous	0	0	2,355	2,355
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>7,214</u>	<u>(12,786)</u>
Expenditures				
Public Safety				
Operating Expenses	<u>50,000</u>	<u>50,000</u>	<u>6,174</u>	<u>43,826</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>6,174</u>	<u>43,826</u>
Excess (Deficiency) of Revenues Over Expenditures	(30,000)	(30,000)	1,040	31,040
Cash Balance Beginning of Year	<u>30,702</u>	<u>30,702</u>	<u>30,702</u>	<u>0</u>
Cash Balance End of Year	\$ <u>702</u>	\$ <u>702</u>	\$ <u>31,742</u>	\$ <u>31,040</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>1,040</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,040</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 67,621	\$ 67,621	\$ 67,621	\$ 0
Miscellaneous	0	394	394	0
Total Revenues	<u>67,621</u>	<u>68,015</u>	<u>68,015</u>	<u>0</u>
Expenditures				
Public Safety				
Operating Expenses	8,800	8,800	6,149	2,651
Debt Services				
Principal	10,150	10,150	8,000	2,150
Interest	0	0	2,152	(2,152)
Total Expenditures	<u>18,950</u>	<u>18,950</u>	<u>16,301</u>	<u>2,649</u>
Excess (Deficiency) of Revenues Over Expenditures	48,671	49,065	51,714	2,649
Cash Balance Beginning of Year	<u>23,354</u>	<u>23,354</u>	<u>23,354</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 72,025</u>	<u>\$ 72,419</u>	<u>\$ 75,068</u>	<u>\$ 2,649</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 51,714	
Net Change in Accounts Payable			(95)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 51,619</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge For Services	\$ 11,000	\$ 11,000	\$ 774	\$ (10,226)
Miscellaneous	0	0		0
Total Revenues	<u>11,000</u>	<u>11,000</u>	<u>774</u>	<u>(10,226)</u>
Expenditures				
Public Safety				
Operating Expenses	<u>19,700</u>	<u>19,700</u>	<u>62</u>	<u>19,638</u>
Total Expenditures	<u>19,700</u>	<u>19,700</u>	<u>62</u>	<u>19,638</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,700)	(8,700)	712	9,412
Cash Balance Beginning of Year	<u>22,730</u>	<u>22,730</u>	<u>22,730</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 14,030</u>	<u>\$ 14,030</u>	<u>\$ 23,442</u>	<u>\$ 9,412</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 712</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 712</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 5,507	\$ 5,507	\$ 5,507	\$ 0
Total Revenues	<u>5,507</u>	<u>5,507</u>	<u>5,507</u>	<u>0</u>
Expenditures				
Public Safety				
Operating Expenses	10,200	10,200	9,842	358
Total Expenditures	<u>10,200</u>	<u>10,200</u>	<u>9,842</u>	<u>358</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,693)	(4,693)	(4,335)	358
Cash Balance Beginning of Year	<u>10,504</u>	<u>10,504</u>	<u>10,504</u>	<u>0</u>
Cash Balance End of Year	\$ <u>5,811</u>	\$ <u>5,811</u>	\$ <u>6,169</u>	\$ <u>358</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,335)	
Net Change in Accounts Payable			<u>1,643</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>(2,692)</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 14,000	\$ 15,000	\$ 16,927	\$ 1,927
Total Revenues	<u>14,000</u>	<u>15,000</u>	<u>16,927</u>	<u>1,927</u>
Expenditures				
Health & Welfare				
Operating Expenses	14,000	15,000	14,879	121
Total Expenditures	<u>14,000</u>	<u>15,000</u>	<u>14,879</u>	<u>121</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	2,048	2,048
Cash Balance Beginning of Year	<u>3,510</u>	<u>3,510</u>	<u>3,510</u>	<u>0</u>
Cash Balance End of Year	\$ <u>3,510</u>	\$ <u>3,510</u>	\$ <u>5,558</u>	\$ <u>2,048</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,048	
Net Change in Taxes Receivable			<u>243</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>2,291</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Taxes	\$ 52,000	\$ 52,000	\$ 61,416	\$ 9,416
Joint Powers Agreements	25,000	25,000	25,000	0
Miscellaneous	0	0	3,779	(3,779)
Total Revenues	<u>77,000</u>	<u>77,000</u>	<u>90,195</u>	<u>5,637</u>
Expenditures				
Public Safety				
Personnel Services	232,435	232,435	171,887	60,548
Benefits	22,750	22,750	26,914	(4,164)
Operating Expenses	39,861	39,861	51,994	(12,133)
Total Expenditures	<u>295,046</u>	<u>295,046</u>	<u>250,795</u>	<u>44,251</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(218,046)</u>	<u>(218,046)</u>	<u>(160,600)</u>	<u>57,446</u>
Other Financing Sources (Uses)				
Transfer from General	213,107	213,107	213,107	0
Total Other Sources (Uses)	<u>213,107</u>	<u>213,107</u>	<u>213,107</u>	<u>0</u>
Net Changes in Cash Balance	(4,939)	(4,939)	52,507	57,446
Cash Balance Beginning of Year	<u>72,304</u>	<u>72,304</u>	<u>72,304</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 67,365</u>	<u>\$ 67,365</u>	<u>\$ 124,811</u>	<u>\$ 57,446</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ 52,507	
Net Change in Taxes Receivable			354	
Net Change in Accounts Payable			246	
Net Change in Accrued Payroll			128	
Net Changes in Fund Balances-GAAP Basis			<u>\$ 53,235</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 435,000	\$ 435,000	\$ 0	\$ (435,000)
Total Revenues	<u>435,000</u>	<u>435,000</u>	<u>0</u>	<u>(435,000)</u>
Expenditures				
Public Safety				
Operating Expenses	100,000	100,000	9,863	90,137
Capital Outlay	<u>335,000</u>	<u>335,000</u>	<u>0</u>	<u>335,000</u>
Total Expenditures	<u>435,000</u>	<u>435,000</u>	<u>9,863</u>	<u>425,137</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(9,863)	(9,863)
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>\$ (9,863)</u>	<u>\$ (9,863)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (9,863)	
Net Change in Due from Grantor			<u>9,863</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.

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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 11,732	\$ 11,732	\$ 4,037	\$ (7,695)
Total Revenues	<u>11,732</u>	<u>11,732</u>	<u>4,037</u>	<u>(7,695)</u>
Expenditures				
Public Safety				
Personnel Service	14,803	14,803	6,849	7,954
Benefits	1,901	1,901	528	1,373
Operating Expenses	3,600	3,600	35	3,565
Total Expenditures	<u>20,304</u>	<u>20,304</u>	<u>7,412</u>	<u>12,892</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,572)</u>	<u>(8,572)</u>	<u>(3,375)</u>	<u>5,197</u>
Other Financing Sources (Uses)				
Transfer from General Fund	11,732	11,732	3,300	(8,432)
Total Other Sources (Uses)	<u>11,732</u>	<u>11,732</u>	<u>3,300</u>	<u>(8,432)</u>
Net Change in Cash Balance	3,160	3,160	(75)	(3,235)
Cash Balance Beginning of Year	<u>(1,275)</u>	<u>(1,275)</u>	<u>(1,275)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>1,885</u>	\$ <u>1,885</u>	\$ <u>(1,350)</u>	\$ <u>(3,235)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (75)	
Net Change in Due from Grantor			75	
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-STATE HOMELAND SECURITY FUND

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

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 85,031	\$ 85,031	\$ 56,755	\$ (28,276)
Total Revenues	<u>85,031</u>	<u>85,031</u>	<u>56,755</u>	<u>(28,276)</u>
Expenditures				
Public Safety				
Operating Expenses	17,006	17,006	1,200	15,806
Capital Outlay	<u>68,025</u>	<u>68,025</u>	<u>55,555</u>	<u>12,470</u>
Total Expenditures	<u>85,031</u>	<u>85,031</u>	<u>56,755</u>	<u>28,276</u>
Excess (Deficiency) of Revenues Over Expenditures	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				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</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.

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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 22,400	\$ 22,400	\$ 22,400	\$ 0
Total Revenues	<u>22,400</u>	<u>22,400</u>	<u>22,400</u>	<u>0</u>
Expenditures				
Public Safety				
Operating Expenses	22,400	22,400	22,014	386
Total Expenditures	<u>22,400</u>	<u>22,400</u>	<u>22,014</u>	<u>386</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	386	386
Cash Balance Beginning of Year	<u>13,979</u>	<u>13,979</u>	<u>13,979</u>	<u>0</u>
Cash Balance End of Year	\$ <u>13,979</u>	\$ <u>13,979</u>	\$ <u>14,365</u>	\$ <u>386</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 386	
Net Change in Accounts Payable			<u>205</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>591</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Grants	\$ 155,000	\$ 155,000	\$ 131,000	\$ (24,000)
Total Revenues	<u>155,000</u>	<u>155,000</u>	<u>131,000</u>	<u>(24,000)</u>
Expenditures				
Public Safety				
Personnel Services	118,800	118,800	69,658	49,142
Benefits	0	0	16,602	(16,602)
Operating Expenses	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Expenditures	<u>128,800</u>	<u>128,800</u>	<u>96,260</u>	<u>32,540</u>
Excess (Deficiency) of Revenues Over Expenditures	26,200	26,200	34,740	8,540
Cash Balance Beginning of Year	<u>(21,148)</u>	<u>(21,148)</u>	<u>(21,148)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5,052</u>	<u>\$ 5,052</u>	<u>\$ 13,592</u>	<u>\$ 8,540</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 34,740	
Net Change in Receivables			(26,200)	
Net Change in Accounts Payable			1,000	
Net Change in Accrued Payroll			<u>1,582</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 11,122</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fines	\$ 3,000	\$ 3,000	\$ 1,756	\$ (1,244)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>1,756</u>	<u>(1,244)</u>
Expenditures				
Public Safety				
Operating Expenses	3,000	3,000	3,000	0
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,244)	(1,244)
Cash Balance Beginning of Year	<u>2,239</u>	<u>2,239</u>	<u>2,239</u>	<u>0</u>
Cash Balance End of Year	\$ <u>2,239</u>	\$ <u>2,239</u>	\$ <u>995</u>	\$ <u>(1,244)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(1,244)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(1,244)</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, 2013

	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	412	412	412	0
Total Expenditures	<u>412</u>	<u>412</u>	<u>412</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(412)	(412)	(412)	0
Cash Balance Beginning of Year	<u>412</u>	<u>412</u>	<u>412</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				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (412)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(412)</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fines	\$ 500	\$ 2,200	\$ 2,205	\$ 5
Total Revenues	<u>500</u>	<u>2,200</u>	<u>2,205</u>	<u>5</u>
Expenditures				
Public Safety				
Operating Expenses	500	2,100	2,096	4
Total Expenditures	<u>500</u>	<u>2,100</u>	<u>2,096</u>	<u>4</u>
Excess (Deficiency) of Revenues Over Expenditures	0	100	109	9
Cash Balance Beginning of Year	<u>794</u>	<u>794</u>	<u>794</u>	<u>0</u>
Cash Balance End of Year	\$ <u>794</u>	\$ <u>894</u>	\$ <u>903</u>	\$ <u>9</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 109	
Net Change in Accounts Payable			<u>138</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>247</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 6,250	\$ 6,250	\$ 6,373	\$ 123
Total Revenues	<u>6,250</u>	<u>6,250</u>	<u>6,373</u>	<u>123</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>(27,127)</u>	<u>123</u>
Other Financing Sources (Uses)				
Transfer from General Fund	33,500	33,500	27,250	(6,250)
Total Other Sources (Uses)	<u>33,500</u>	<u>33,500</u>	<u>27,250</u>	<u>(6,250)</u>
Net Change in Cash Balance	6,250	6,250	123	(6,127)
Cash Balance Beginning of Year	<u>422</u>	<u>422</u>	<u>422</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>6,672</u></u>	\$ <u><u>6,672</u></u>	\$ <u><u>545</u></u>	\$ <u><u>(6,127)</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ <u>123</u>	
Net Changes in Fund Balances-GAAP Basis			\$ <u><u>123</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-FAIR GROUNDS FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 11,661	\$ 1,661
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>11,661</u>	<u>1,661</u>
Expenditures				
Public Works				
Operating Expenses	10,000	10,000	2,330	7,670
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>2,330</u>	<u>7,670</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	9,331	9,331
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>\$ 9,331</u>	<u>\$ 9,331</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,331	
Net Change in Accounts Payable			(593)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 8,738</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 7,500	\$ 7,500	\$ 8,463	\$ 963
Total Revenues	<u>7,500</u>	<u>7,500</u>	<u>8,463</u>	<u>963</u>
Expenditures				
Public Works				
Operating Expenses	10,000	10,000	0	10,000
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,500)</u>	<u>(2,500)</u>	<u>8,463</u>	<u>10,963</u>
Other Financing Sources (Uses)				
Transfer to Landfill Closure	0	0	(19,362)	(19,362)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(19,362)</u>	<u>(19,362)</u>
Net Change in Cash Balance	(2,500)	(2,500)	(10,899)	(8,399)
Cash Balance Beginning of Year	<u>10,899</u>	<u>10,899</u>	<u>10,899</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,399</u>	<u>\$ 8,399</u>	<u>\$ 0</u>	<u>\$ (8,399)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Changes in Cash Balance-Cash Basis			\$ (10,899)	
Net Change in Taxes Receivable			<u>(576)</u>	
Net Changes in Fund Balances-GAAP Basis			<u>\$ (11,475)</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 FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 65,000	\$ 65,000	\$ 53,452	\$ (11,548)
Joint Powers Agreements	0	0	7,328	7,328
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>60,780</u>	<u>(11,548)</u>
Expenditures				
Public Works				
Operating Expenses	82,000	82,000	81,217	783
Total Expenditures	<u>82,000</u>	<u>82,000</u>	<u>81,217</u>	<u>783</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(17,000)</u>	<u>(17,000)</u>	<u>(20,437)</u>	<u>(3,437)</u>
Other Financing Sources (Uses)				
Transfer from County Environmental	20,000	20,000	19,362	(638)
Transfer from Transfer Station	40,000	40,000	38,095	(1,905)
Transfer from Construction	0	0	5,396	5,396
Total Other Sources (Uses)	<u>60,000</u>	<u>60,000</u>	<u>62,853</u>	<u>2,853</u>
Net Change in Cash Balance	43,000	43,000	42,416	(584)
Cash Balance Beginning of Year	<u>(21,122)</u>	<u>(21,122)</u>	<u>(21,122)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>21,878</u>	\$ <u>21,878</u>	\$ <u>21,294</u>	\$ <u>(584)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 42,416	
Net Change in Taxes Receivable			698	
Net Change in Due from Grantor			<u>(15,726)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>27,388</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, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 28,000	\$ 28,000	\$ 27,320	\$ (680)
Total Revenues	<u>28,000</u>	<u>28,000</u>	<u>27,320</u>	<u>(680)</u>
Expenditures				
Health & Welfare				
Operating Expenses	28,000	28,000	23,627	4,373
Total Expenditures	<u>28,000</u>	<u>28,000</u>	<u>23,627</u>	<u>4,373</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	3,693	3,693
Cash Balance Beginning of Year	<u>109,888</u>	<u>109,888</u>	<u>109,888</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 109,888</u>	<u>\$ 109,888</u>	<u>\$ 113,581</u>	<u>\$ 3,693</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,693	
Net Change in Taxes Receivable			105	
Net Change in Accounts Payable			<u>(965)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,833</u>	

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

STATE OF NEW MEXICO

DE BACA COUNTY

SPECIAL REVENUE FUND-HOSPITAL FUND

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

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Health & Welfare				
Operating Expenses	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>149,763</u>	<u>149,763</u>	<u>149,763</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 149,763</u>	<u>\$ 149,763</u>	<u>\$ 149,763</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

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

Independent Auditor's Report

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

Mr. Balderas and Members of the Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of De Baca County (County) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual funds and related budgetary comparisons of the County, presented as supplemental information, and have issued our report thereon dated November 25, 2013. 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. The findings for the component unit included in this report are based on the report of the other auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. 07-01, 08-02, 11-05, 11-11, 11-15, 13-01, 13-02

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 07-01, 08-02, 11-05, 11-11, 11-15, 13-01, 13-02

The County's Responses to Findings

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

Purpose of this Report

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

 CPA PC

Clovis, New Mexico
November 25, 2013

STATE OF NEW MEXICO
DE BACA COUNTY
 Schedule of Findings and Responses
 For the Year Ended June 30, 2013

Prior Year Audit Findings		<u>Status</u>
04-01	Incorrect Cash Balances	Resolved
04-13	Budget Overruns	Resolved
04-19	Late Audit Report	Repeated
07-01	Preparation of the Audit Report	Repeated
08-01	Cash Appropriations in Excess of Available Cash Balances	Resolved
08-02	Bank Accounts - Reconciliations were not done or were incorrect	Repeated & Modified
10-02	Bill paying issues	Resolved
11-05	Inmate Trust Fund Accounts Not Properly Maintained	Repeated
11-11	Combining fiduciary cash funds with other cash funds	Repeated
11-12	Receipts from the Clerk's Office	Resolved
11-15	Time Clocks	Repeated
11-16	Fair Ground Funds	Resolved
Component Unit-De Baca Family Practice Clinic, Inc.		
2012-2	Segregation of Duties - Significant Deficiency	Resolved

Current Year Audit Findings

04-19 Late Audit Report - Significant Deficiency 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 auditors thought the audit due date was December 1.

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

Management should require the auditors complete the audit timely.

Response

We will require the audit be submitted timely.

07-01 Preparation of the Financial Statements - Significant Deficiency 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 115 an adequately designed control system includes the financial statement preparation, footnote disclosure preparation and should give the entity the ability to catch material errors that may effect the financial statements.

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

When sufficient controls over the preparation of financial statements and related disclosures are not designed, implemented and operating effectively, an entity's ability to prevent or detect a misstatement in its financial statements is limited.

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

None.

08-02 Bank Accounts - Reconciliations were not done or were incorrect - Significant Deficiency

Condition

The Treasurer is not able to reconcile the bank statements to the general ledger. The difference in the cash balance in the general ledger and the reconciled balance produced by the auditor was \$190,301.78.

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

The software is not setup correctly in the background of the operation. A list of deposits made into the bank could not be produced by the software. There was a software conversion in July 2012. All of the issues have not been resolved.

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.

11-05 Inmate Trust Fund Accounts Not Properly Maintained - Significant Deficiency

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 - Significant Deficiency

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

NMAC 2.2.2.12 D. Tax Roll Reconciliations. Identified weaknesses in internal control in conjunction with findings 13-01 and 13-02. Internal controls and mitigation of risk.

Cause

This practice has been in effect for years and the request for change has been met with resistance.

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.

11-15 Time Clocks - Significant Deficiency

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 devise or system should be implemented.

Response

The County will implement a time record system.

13-01 Outstanding Property Taxes - Significant Deficiency

Condition

Property taxes outstanding do not reconcile to the previous year's outstanding balance including the amount of taxes charged to the Treasurer this fiscal year and subtracting the taxes collected this fiscal year. The difference is \$141,316.53.

Criteria

NMAC 2.2.2.12 D. Tax Roll Reconciliations.

Cause

The cause of the inability to reconcile the tax roll is an issue with the computer conversion that occurred in July, 2012.

Effect

A lack or inability to reconcile the tax rolls makes amounts owed by the taxpayers unknown. A fiduciary responsibility to those entities who depend on the County to assess, collect and account for the property taxes has been breached.

Recommendation

The software company should investigate what has caused the computer issues and correct them.

Response

We have a meeting with owners of the software company on December 17, 2013 to discuss the resolution is all of the software issues.

13-02 County Treasurer's Property Tax Schedule and the Schedule of Changes in Assets and Liabilities for the Agency Fund - Significant Deficiency

Condition

Information is not available to complete the required County Treasurer's Property Tax Schedule and the Schedule of Changes in Assets and Liabilities for the Agency Fund.

Criteria

NMAC 2.2.2.12 D. Tax Roll Reconciliations and NMAC 2.2.2.10(Z) Statement of Changes in Assets and Liabilities for the Agency Fund

Cause

The software does not provided the necessary information to prepare the schedule.

Effect

Revenue may be misstated. This information is necessary for proper revenue recognition on the part of the County as well as on the part of the recipient agencies, under GASBS 33.

Recommendation

The software company should modify the software to provide the County with the needed information to prepare the required schedule.

Response

We have a meeting with owners of the software company on December 17, 2013 to discuss the resolution is all of the software issues.

13-3 Late Audit Contract-Compliance-Other

Condition

The audit contract was not received by the Office of the State Auditor by the required due date of May 15, 2013.

Criteria

Paragraph (6) or Subsection G of 2.2.2.8 NMAC requires the contract be received by the Office of the State Auditor by May 1, 2013.

Cause

The auditor was not on the approved audit list until after that date.

Effect

Paragraph (6) or Subsection G of 2.2.2.8 NMAC was violated.

Recommendation

The County should contract with an approved auditor timely.

Agency Response

We will contract with an approved auditor timely.

Component Unit-De Baca Family Practice Clinic, Inc. Findings

2013-1 Submission of Audit Contract and Recommendation-Compliance and Other Matter

Condition

Per 2.2.2.8(G)(6)(C) NMAC Audit Rule, the Clinic did not meet the deadline for submission of the audit contract and recommendation by the deadline for the fiscal year ending 2013.

Criteria

Per 2.2.2.8(G)(6)(C) NMAC Audit Rule requires that the audit contract and recommendation be submitted to the Office of the State Auditor by May 1st.

Cause

The audit contract and recommendation were prepared on May 30, 2013 by client personnel.

Effect

Preparation of the audit contract and recommendation on May 30, 2013 caused the submission to arrive late to the Office so the State Auditor.

Recommendation

We recommend the Clinic management personnel prepare the audit contract and recommendation in April of each fiscal year to allow enough time to deliver to the Office of the State Auditor by the due date of May 1st.

Response

The Clinic's management was diligent about submitting the audit contract in April of 2013 but failed to send the submission with a return receipt request. The SAO has no record of receiving the first submission. Clinic management will prepare and submit the audit contract and recommendation by the deadline for upcoming fiscal years and all such submissions will be sent with a return receipt request.

2013-2 Late Submission of Audit Report-Compliance and Other Matter**Condition**

The audit report for the fiscal year ended June 30, 2013 was not submitted by the New Mexico State deadline.

Criteria

New Mexico State Auditor Rule 2.2.2.9A (1) requires audit reports for the Clinic to be submitted by November 15th following the end of the fiscal year.

Cause

The initial report was rejected by the OSA.

Effect

The Clinic is out of compliance with New Mexico State Auditor Rule 2.2.2.9A (1).

Recommendation

We recommend the Clinic be proactive in the audit report preparation by maintaining communications with the auditor and the State Auditor regarding progress of the audit.

Response

The Clinic's management and the auditor were diligent in submitting the report by the deadline to the SAO. Since the initial report was rejected by the SAO, the report was considered late once submitted with the necessary changes. Clinic management will work to submit the report by the deadline for upcoming fiscal years and all such submissions will be sent with a return receipt request.

2013-3 Exceeded Budgetary Authority-Compliance and Other Matter**Condition**

The Clinic exceeded budgetary authority at the fund level by \$4,294.

Criteria

Section 6-6-6 NMSA 1978 restricts local governmental entities from expending above the approved budget.

Cause

A comparison of the budget to actual expenditures near the end of the fiscal year did not factor any potential audit entries which may affect expenditures into the final budget adjustment.

Effect

Without periodic budget to actual expenditure review, expenses may be exceeding the amount authorized by the Board of Directors or significant expense misclassifications may be overlooked.

Recommendation

We recommend the final review of the budget for the fiscal year be performed so as to accommodate any potential year end adjustments which might cause the budget to be exceeded.

Response

The Clinic's revenues and expenses are compared to the actual results on a quarterly basis, and the budget is adjusted accordingly. Although the Clinic tries to include all necessary year-end adjustments before the final budget comparison, the audit may adjust line item expenditures not adjusted during the year end closing process. We will evaluate our budget comparison and closing processes during the next fiscal year to determine whether additional expenditures need to be budgeted to include the potential audit adjustments.

Exit Conference

An exit conference was held on November 25, 2013 with Aldolfo Lucero-Chairman, Treasurer-Betty Berry, Nichole Moyer-Accountant and De'Aun Willoughby, CPA.

Exit Conference with Component Unit

An exit conference was held on December 31, 2013 with Susan Vick, CFO of De Baca Family Practice Clinic, Inc. and De'Aun Willoughby, CPA.