

STATE OF NEW MEXICO
REGIONAL EMERGENCY DISPATCH AUTHORITY
(A COMPONENT UNIT OF EDDY COUNTY)
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2013



JOHNSON, MILLER & CO.
Certified Public Accountants
A Professional Corporation

An Independent Member Of BDO Seidman Alliance

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STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
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June 30, 2013

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STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Official Roster
June 30, 2013

<u>Name</u>	<u>Title</u>
Executive Board	
Lorraine Allen-Munoz	Chairman
Phil Burch	Co-Chair
Aubrey Hobson	Secretary
Allen Sartin	Board Member
Glenn Collier	Board Member
William Gray	Board Member
Vernon Asbill	Board Member
Terry Todd (Non-Voting)	Board Member
Royce Pearson (Alternate)	Board Member
Bill Thalman (Alternate)	Board Member
Operations Committee Board	
Sheriff Scott London	Chairman
Chief JD Himmingbird	Vice Chairman
Chief Don Raley	Secretary
Joel Arnwine	Board Member
Robert Brader (Non-Voting)	Board Member
Chief Rick Lopez (Non-Voting)	Board Member
Authority Officials	
Dee Williams	Acting Director

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
Executive Board and
Operations Committee Board
Regional Emergency Dispatch Authority
Artesia, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and the budgetary comparison for the general fund of the Regional Emergency Dispatch Authority (the Authority), a component unit of Eddy County, New Mexico, as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express our opinion 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, and the standards applicable to financial statement audits contained in the New Mexico State Audit Rule 2.2.2 NMAC. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activity of the Authority, as of June 30, 2013, and the respective changes in financial position, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 2013 on our consideration of the Authority'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 Authority's internal control over financial reporting and compliance.

Johnson, Miller & Co.

Johnson, Miller, & Co., CPAs
Hobbs, NM
November 11, 2013

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Statement of Net Position
June 30, 2013

Exhibit A-1

	<u>Total</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 93,273
Receivables	
Intergovernmental	
Due from other governments	63,707
Due from primary government	95,560
Other receivables	3,742
	<u>256,282</u>
Total current assets	
Noncurrent assets	
Capital assets	327,623
Accumulated depreciation	(186,931)
	<u>140,692</u>
Total noncurrent assets	
Total assets	<u>\$ 396,974</u>
LIABILITIES	
Current liabilities	
Accounts payable	18,877
Accrued liabilities	22,730
Accrued compensated absences	21,522
	<u>63,129</u>
Total current liabilities	
Noncurrent liabilities	
Loans payable	250,000
	<u>250,000</u>
Total noncurrent liabilities	
Total liabilities	<u>313,129</u>
NET POSITION	
Net invested in capital assets	140,692
Unrestricted	(56,847)
	<u>83,845</u>
Total net position	
Total Liabilities and Net Position	<u>\$ 396,974</u>

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Statement of Activities
For the Year Ended June 30, 2013

Exhibit A-2

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary Government					
Governmental activities					
Public safety	\$ 1,497,490	\$ 7,252	\$ 1,430,289	\$ -	\$ (59,949)
Total governmental activities	\$ 1,497,490	\$ 7,252	\$ 1,430,289	\$ -	(59,949)
					(59,949)
					143,794
					\$ 83,845

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Balance Sheet
Governmental Fund
June 30, 2013

	<u>General Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 93,273
Receivables	
Intergovernmental	
Due from other governments	63,707
Due from primary government	95,560
Other	3,742
Total assets	\$ 256,282
LIABILITIES AND FUND BALANCE	
Current liabilities	
Accounts payable	18,877
Accrued liabilities	22,731
Total liabilities	41,608
Fund balance	
Spendable	
Unassigned	214,674
Total fund balance	214,674
Total liabilities and fund balance	\$ 256,282

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Fund
June 30, 2013

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

Fund balance- governmental fund	\$	214,674
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund		140,692
Certain liabilities, including loans payable and the current portion of accrued compensated absences, are not due and payable in the current period, and therefore, are not reported in the fund		
Loans payable		(250,000)
Accrued compensated absences not due and payable at year end		(21,521)
		83,845
Net position of governmental activities	\$	83,845

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Statement of Revenues, Expenditures, and Change in Fund Balance
Governmental Fund
June 30, 2013

	General Fund
Revenues	
Intergovernmental	
Local operating grants	\$ 1,430,289
Charges for services	7,252
Total revenues	1,437,541
Expenditures	
Current	
Public safety	1,455,845
Capital outlay	34,830
Total expenditures	1,490,675
Excess (deficiency) of revenues over expenditures	(53,134)
Net change in fund balance	(53,134)
Fund balance- beginning of year	267,808
Fund balance- end of year	\$ 214,674

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Reconciliation of the Statement of Revenues, Expenditures, and Change
in Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2013

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

Net change in fund balance - governmental fund	\$ (53,134)
--	-------------

The governmental fund reports capital outlays as expenditures. However, in
the Statement of Activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense

Capital expenditures	34,830
Depreciation expense	(45,867)

Expenses reported in the Statement of Activities that do require the use of
current financial resources and therefore are not reported as expenditures in
the governmental fund

Increase in accrued compensated absences	<u>4,222</u>
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Change in net position of governmental activities	<u><u>\$ (59,949)</u></u>
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STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
General Fund
Statement of Revenues, Expenditures, and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Intergovernmental				
Local operating grants	\$ 1,565,952	\$ 1,565,952	\$ 1,479,303	\$ (86,649)
Charges for services	-	6,830	3,617	(3,213)
Total revenues	<u>1,565,952</u>	<u>1,572,782</u>	<u>1,482,920</u>	<u>(89,862)</u>
Expenditures				
Current				
Public safety	1,522,280	1,527,610	1,454,290	73,320
Capital outlay	43,672	45,172	34,830	10,342
Total expenditures	<u>1,565,952</u>	<u>1,572,782</u>	<u>1,489,120</u>	<u>83,662</u>
Excess (deficiency) of revenues over expenditures	-	-	(6,200)	(6,200)
Net change in fund balance	-	-	(6,200)	(6,200)
Fund balance- beginning of year	-	-	99,473	99,473
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,273</u>	<u>\$ 93,273</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (6,200)	
Adjustments to revenue for local operating grants and miscellaneous income			(45,379)	
Adjustments to expenditures for payroll, professional services, and other expenses			(1,555)	
Net change in fund balance (GAAP basis)			<u>\$ (53,134)</u>	

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Notes to the Financial Statements
June 30, 2013

NOTE 1 Summary of Significant Accounting Policies

The Regional Emergency Dispatch Authority (the Authority), a component unit of Eddy County, New Mexico, was established in 2006 under the name Eddy County Central Communications Authority in accordance with Enhanced 911 statutes of the State of New Mexico, Section 63-9D-1 NMSA 1978. On September 1, 2007 all of the Communications employees of the Eddy County Sheriff's Department and the Artesia Police Department were consolidated under the Central Communications Authority. In 2010, Eddy County Central Communications Authority reorganized under the name Regional Emergency Dispatch Authority. The Authority was created to provide effective and efficient single point of contact for emergency communications for Eddy County and the City of Artesia.

The Authority consists of seven board members who govern the Regional Emergency Dispatch Authority. The Board members are selected by the Mayor and City Council of Artesia and the Eddy County Commission. Eddy County is the fiscal agent for the Authority.

The more significant accounting policies and procedures of the Authority are described below.

A. Financial Reporting Entity

Eddy County does issue separately audited financial statements. Additional information regarding Eddy County may be obtained directly from their administrative office as follows: Eddy County Administration Complex Suite 222, 101 W. Greene St., Carlsbad, NM 88220.

The financial statements include those activities and functions related to the Regional Emergency Dispatch Authority which are controlled by or dependent upon its Executive Board. The accompanying financial statements do not present the financial position and results of operations of the County, taken as a whole in accordance with generally accepted accounting principles (GAAP).

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No.'s 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 inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the Authority does not have any component units required to be reported under GASB Statements No. 14, 39 and 61.

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Notes to the Financial Statements
June 30, 2013

NOTE 1 Summary of Significant Accounting Policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. *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.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

In the government-wide Statement of Net Position, both the governmental and business-type activities (if applicable) columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Authority's net position is reported in three parts- invested in capital assets; restricted net position; and unrestricted net position.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, subject to the availability criterion. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Notes to the Financial Statements
June 30, 2013

NOTE 1 Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

The Authority reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The Authority does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

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

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

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

D. Assets, Liabilities, Net Position and Fund Balance

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

State statutes authorize the Authority to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Receivables and Payables: All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Payables are comprised of unpaid vendor and supplier invoices and are recognized when incurred.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) is included as part of the governmental capital assets reported in the government-wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Notes to the Financial Statements
June 30, 2013

NOTE 1 Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Net Position and Fund Balance (continued)

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

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	30-50
Equipment	5-15

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2013, along with the applicable PERA and Retiree Health Care expenditures.

Compensated Absences: The Authority permits employees to accumulate a limited amount of earned but unused vacation, which will be paid if not used, upon termination from the Authority. Accumulated sick leave benefits vest with each employee in accordance with Authority policy. All vacation pay and applicable accumulated sick leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of service by employees.

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Fund Balance Classification Policies and Procedures: For restricted fund balances, the Authority includes amounts that can be spent only for the specific purposes stipulated by statute, ordinance, resolution, or enabling legislation. Fund balances in this category represent the remaining amount that is restricted for future use in the specific fund.

For committed fund balance, the Authority's highest level of decision-making authority is the Executive Board. The formal action that is required to be taken to establish a fund balance commitment is the Executive Board.

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

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

Nonspendable Fund Balance: At June 30, 2013, the Authority had no amounts classified as nonspendable fund balance.

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Notes to the Financial Statements
June 30, 2013

NOTE 1 Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Net Position and Fund Balance (continued)

Restricted and Committed Fund Balance: At June 30, 2013, the Authority had not restricted or committed any fund balance amounts.

Reclassifications: Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

Minimum Fund Balance Policy: The Authority has not developed a policy for maintaining a minimum amount of fund balance for operations to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies.

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

- a. *Invested in Capital Assets:*
Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted Net Position:*
Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted Net Position:*
All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the Authority's financial statements include depreciation on capital assets.

NOTE 2 Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets of the Authority are prepared prior to June 1 and must be approved by resolution of the Executive Board and submitted to Eddy County and the City of Artesia for inclusion in their budgets for submission to the Department of Finance and Administration (DFA) for State approval. Once the budget has been formally approved, any amendments are approved by the Executive Board and changes which result in budget increases must also be approved by Eddy County, the City of Artesia and DFA. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total by fund.

These budgets are prepared on the Non-GAAP budgetary basis, excluding encumbrances, and securing appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Notes to the Financial Statements
June 30, 2013

NOTE 2 Stewardship, Compliance, and Accountability (continued)

The budgetary information presented in these financial statements has been amended in accordance with the aforementioned procedures.

	Excess (deficiency) of revenues over expenditures	
	Original	Final
	Budget	Budget
Budgeted Funds:		
General Fund	-	-

The accompanying Statement of Revenues, Expenditures, and Change in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2013 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 3 Deposits and Investments

State statutes authorize the investment of Authority funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States government obligations. The Authority is not aware of any invested funds that did not meet the State investment requirements as of June 30, 2013.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Authority. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute.

The rate of interest in non-demand interest bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation (FDIC), public unit deposits are funds owned by the public unit. Time deposits, savings deposits, and interest bearing negotiable order of withdrawal (NOW) accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. All non-interest bearing transaction accounts are insured up to \$250,000. This coverage is available to all depositors, including consumers, businesses, and government entities.

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Notes to the Financial Statements
June 30, 2013

NOTE 3 Deposits and Investments (continued)

Custodial Credit Risk- Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978). At June 30, 2013, \$0 of the Authority's deposits of \$93,273 was exposed to custodial credit risk. \$0 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the Authority's name and \$0 was uninsured and uncollateralized.

New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Authority for at least one half of the amount on deposit with the institution.

	<u>Wells Fargo Bank</u>
Amount of Deposits	\$ 104,745
FDIC coverage	104,745
Total uninsured public funds	-
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the Authority's name	-
Uninsured and uncollateralized	\$ -
Collateral requirement (50% of uninsured public funds)	\$ -
Pledged security	-
Over (under) collateralization	\$ -

The Authority does not have any collateral pledged with financial institutions at June 30, 2013. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district, or political subdivision of the State of New Mexico.

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Notes to the Financial Statements
June 30, 2013

NOTE 3 Deposits and Investments (continued)

Reconciliation to the Statement of Net Assets:

The carrying amount of deposits and investments shown in the preceding page are included in the Authority's Statement of Net Assets as follows:

Account Name	Account Type	Wells Fargo Bank
Deposits		
Operational	Checking (non-interest bearing)	\$ 104,015
Purchasing Card	Checking (non-interest bearing)	730
Total amount of deposit in bank		104,745
Less: FDIC coverage		104,745
Total uninsured public funds		-
50% collateral requirements		-
Pledged securities		-
Over/(under) collateralized		-
Bank balance		104,745
Outstanding items		(11,472)
Deposits in transit		-
Book balance		93,273
Deposits and investments per schedule		93,273
Cash and restricted cash		93,273
Deposits per Statement of Net Position		\$ 93,273

NOTE 4 Receivables

Accounts receivable as of June 30, 2013, are as follows:

Intergovernmental		
City of Artesia	\$	63,707
Eddy County		95,560
Miscellaneous		3,742
Total accounts receivable	\$	163,009

Receivables for governmental activities are considered to be 100% collectible.

STATE OF NEW MEXICO
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NOTE 5 Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2013, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Capital assets being depreciated:				
Furniture, fixtures, and equipment	\$ 292,793	\$ 34,830	\$ -	\$ 327,623
Total capital assets being depreciated	292,793	34,830	-	327,623
Total capital assets	292,793	34,830	-	327,623
Less accumulated depreciation:				
Furniture, fixtures, and equipment	141,063	45,868	-	186,931
Total accumulated depreciation	141,063	45,868	-	186,931
Total capital assets, net of depreciation	\$ 151,730	\$ (11,038)	\$ -	\$ 140,692

Depreciation expense for the year ended June 30, 2013 was charged to the Public Safety function in the amount of \$45,868.

NOTE 6 Long-term Debt

During the year ended June 30, 2013, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	June 30, 2012	Additions	Retirements	June 30, 2013	Due Within One Year
Working Capital Loans:					
Eddy County	\$ 210,000	\$ -	\$ -	\$ 210,000	\$ -
City of Artesia	40,000	-	-	40,000	-
Compensated absences	25,744	9,471	13,693	21,522	21,522
Long-term liabilities	\$ 275,744	\$ 9,471	\$ 13,693	\$ 271,522	\$ 21,522

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NOTE 7 PERA Pension Plan

Plan Description: Substantially all of the Authority'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 Employee Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy: Plan members are required to contribute 13.15% of their gross salary. The Authority is required to contribute 9.15% of the gross covered salary. The contribution requirements of plan members and the Authority are established in State Statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Authority's contributions to PERA for the years ended June 30, 2013, 2012, and 2011 were \$70,324, \$71,600, and \$37,057, respectively, which equal the amount of required contributions for each fiscal year.

NOTE 8 Post-Employment Benefits- State Retiree Health Care Plan

Plan Description. The Authority contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Notes to the Financial Statements
June 30, 2013

NOTE 8 Post-Employment Benefits- State Retiree Health Care Plan (continued)

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Authority's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$19,096, \$16, 875 and \$5,186, respectively, which equal the required contributions for each year.

NOTE 9 Commitments Under Contractual Agreements

The Authority is not aware of any commitments as of the year ended June 30, 2013.

NOTE 10 Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; injuries and natural disasters.

The Authority is a member of and is insured through the New Mexico Self Insurers' Fund. The New Mexico Self Insurers' Fund is administered by the New Mexico Municipal League and was created to provide comprehensive care insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority pays an annual premium to the New Mexico Self Insurers' Fund based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The actuarial gains and losses were not available at the date of this report. However, the Authority is not liable for more than the premiums paid.

NOTE 11 Contingent Liabilities

The Authority is involved in various claims and lawsuits arising in the normal course of business. The Authority is insured through the New Mexico Self Insurers' Fund. In the opinion of management, the outcome of these matters will not have a material effect on the financial position of the Authority.

NOTE 12 Concentrations

The Authority depends on financial resources flowing from, or associated with, both the City of Artesia and Eddy County. Because of this dependency, the Authority is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State Appropriations.

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Notes to the Financial Statements
June 30, 2013

NOTE 13 Other Required Individual Fund Disclosures

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

- A. Deficit fund balance of individual funds. The Authority did not reflect a deficit fund balance as of June 30, 2013.
- B. Actual expenditures in excess of amount budgeted at the budgetary authority level. Budgetary level is fund level. The Authority did not have any funds that exceeded approved budgetary authority for the year ended June 30, 2013.
- C. Designated cash appropriations in excess of available balances. The Authority did not have any funds where cash appropriations exceeded available balances for the year ended June 30, 2013.

NOTE 14 Joint Powers Agreements

The Authority is party to a joint powers agreement with Eddy County, New Mexico and the City of Artesia, New Mexico, which is material in nature. The original amount provided to the Authority was a total of \$250,000, which consisted of a 60% contribution from Eddy County for \$150,000 and the remaining 40% for \$100,000 from the City of Artesia. The Authority entered into the agreement April 18, 2006 with no termination date existing as of the year ended June 30, 2013.

The Authority entered in a memorandum of understanding with the Department of Homeland Security, Federal Law Enforcement Training Center (FLETC) regarding the use of FLETC facilities for emergency 911 services in addition to land for a radio tower. This agreement became effective December 21, 2009. The initial term of this agreement will remain in effect for five years at which time the agreement must be reviewed to validate a continued operation requirement. It may be extended every five years by mutual written agreement from both parties.

NOTE 15 Subsequent Pronouncements

In March 2012, GASB Statement No. 65 Items Previously Reported as Assets and Liabilities, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The standard will be implemented during fiscal year June 30, 2014.

In March 2012, GASB Statement No. 66 Technical Corrections-2012—an amendment of GASB Statements No. 10 and No. 62, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The standard will be implemented during fiscal year June 30, 2014.

In June 2012, GASB Statement No. 67 Financial Reporting for Pension Plans—an amendment of GASB Statements No. 25, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged. The standard is expected to have no effect on the County in upcoming years.

In June 2012, GASB Statement No. 68 Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No.27, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. The standard is expected to have no effect on the County in upcoming years.

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Notes to the Financial Statements
June 30, 2013

NOTE 16 Subsequent Events

The Authority has evaluated subsequent events through November 11, 2013, the date which the financial statements were available to be issued.

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COMPLIANCE SECTION

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**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***

Hector H. Balderas
New Mexico State Auditor
Executive Board and
Operations Committee Board
Regional Emergency Dispatch Authority
Artesia, New Mexico

We have audited, 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, and the standards applicable to financial statement audits contained in the New Mexico State Audit Rule 2.2.2 NMAC, the financial statements of the governmental activities and the budgetary comparison statement of the general fund for Regional Emergency Dispatch Authority (the Authority), a component unit of Eddy County, New Mexico, as of and for the year ended June 30, 2013, which collectively comprise the Authority's basic financial statements as listed in the table of contents and have issued our report thereon dated November 11, 2013.

Internal Control Over Financial Reporting

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

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

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as items FS 2010-1 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item FS 2012-5 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 an instance 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 item FS 2013-1.

The Authority's Response to Findings

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

Purpose of this Report

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

Johnson, Miller & Co.

Johnson, Miller & Co., CPAs
Hobbs, NM
November 11, 2013

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Schedule of Findings and Responses
June 30, 2013

Section I- Summary of Audit Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | No |

Section II- Prior Year Audit Findings

- FS 2009-2 Preparation of Financial Statements- Resolved
- FS 2010-1 Segregation of Duties- Modified and Repeated
- FS 2010-2 Deficiencies in Internal Control Structure Design, Operation, and Oversight- Resolved
- FS 2011-4 Capital Assets- Resolved
- FS 2012-1 Bank Reconciliations- Resolved
- FS 2012-2 Lack of Internal Controls of Voided Checks- Resolved
- FS 2012-3 Incomplete Check Sequencing and Use of Duplicate Check Numbers- Resolved
- FS 2012-4 Non-compliance with State Auditor Requirements- Disposal of Capital Assets- Resolved
- FS 2012-5 Lack of Support for Purchase Card Expenditures- Modified and Repeated

Section III- Financial Statement Findings and Responses

FS 2010-1 Segregation of Duties- Material Weakness

Condition: During the audit, we observed that there is inadequate segregation of duties in the accounting function. The former Director and contract bookkeeper were handling many of the significant accounting transactions such as posting accounts receivable, accounts payable and payroll transactions into the accounting system and preparing bank reconciliations.

Criteria: Appropriate segregation of duties for receipts and disbursements is required to maintain proper and sufficient internal controls and properly report all expenditures as required by Section 6-6-3, NMSA 1978.

Effect: Without adequate segregation of duties in key control processes, there is an increased risk of fraudulent activity, and also an increased risk of errors that may not be detected timely.

Cause: The small size of the entity does not allow for proper segregation of duties. The Director and bookkeeper handle all significant accounting transactions.

Auditors' Recommendation: We recommend that duties be segregated to proper employees with applicable knowledge as well as implementing further internal control procedures to prevent and detect misstatements on a timely basis.

Views of Responsible Officials and Planned Corrective Actions: Due to the limited amount of administrative personnel employed by REDA, there have been some issues in the past with having enough personnel to effectively segregate duties. As of fiscal year 2014, REDA has contracted additional accounting services, including a review process, helping to ensure more effective segregation of duties.

Section III- Financial Statement Findings and Responses (continued)

FS 2012-5- Lack of Support for Purchase Card Expenditures- Significant Deficiency

Condition: During testwork of credit cards, we noted one out of ten transactions did not have supporting documentation. The one item which did not have supporting documentation totaled \$26.86 and the total sample size was \$1,025.29.

Criteria: Per Section 6-6-3, NMSA 1978, cash disbursements are required to be properly authorized, and the Authority is required to provide supporting documentation.

Effect: Lack of internal controls will not allow the Authority to prevent or detect errors or intentional misstatements in the accounting system on a timely basis.

Cause: Due to the small size of the entity, the Authority does not have the correct control procedures in place to ensure that all transactions and expenditures have supporting documentation.

Auditors' Recommendations: The Authority should ensure that all purchase receipts are attached to credit card bills when credit cards are returned to the entity as well as making sure that the total amount on the receipts ties to the amount expended on each card for the month.

Views of Responsible Officials and Planned Corrective Actions: It is currently REDA's verbal policy for all purchasing card purchases to be accompanied by a signed and dated itemized receipt. REDA is currently developing a written policy that requires all credit card purchases to be accompanied by a detailed receipt that is signed by the purchasing employee.

Section III- Financial Statement Findings and Responses (continued)

FS 2013-1- Late Submission of IPA Recommendation Form - Other Matter

Condition: The Authority did not submit a fully completed and signed IPA recommendation form and contract as required by Subsection G of 2.2.2.8 NMAC.

Criteria: According to 2.2.2.8(G)(6)(c) NMAC, each agency shall submit the completed IPA recommendation form for audits and the completed and signed audit contract to the state auditor by the deadline indicated in Subparagraph (c) of Subsection G of 2.2.2.8 NMAC.

Effect: The Authority was not in compliance with 2.2.2.8(G)(6)(c) NMAC.

Cause: The Authority did not submit a fully completed and signed IPA recommendation form and contract by the specified due date as required by the New Mexico Office of the State Auditor.

Auditors' Recommendations: We recommend the Authority to be aware of the deadline set as specified by 2.2.2.8(G)(6)(c) NMAC for timely submission of the IPA recommendation form and contract.

Views of Responsible Officials and Planned Corrective Actions: The Management of REDA was not made aware of whom the fiscal year 2013 auditors were until a week before fieldwork began. As REDA is a component unit of Eddy County, they were not notified separately of the IPA selected to perform their audit and, therefore, could not submit an IPA recommendation form. Several attempts were made to ascertain who the auditors were and no response was received.

STATE OF NEW MEXICO
Regional Emergency Dispatch Authority
(a component unit of Eddy County)
Other Disclosures
June 30, 2013

OTHER DISCLOSURES

Exit Conference

The contents of this report were discussed on November 11, 2013. The following individuals were in attendance:

Representing the Regional Emergency Dispatch Authority

Aubrey Hobson
Dee Williams

Executive Board Secretary
REDA Director

Representing Johnson, Miller & Co., CPAs:

Mary Hinds, CPA
Jennifer Burrola

Director
In-charge Staff Accountant

Auditor Prepared Financial Statements

Although it would be preferred and desirable for the Authority to prepare its own financial statements, the Authority's personnel did not have the time nor the knowledge to prepare them. Johnson, Miller & Co., CPAs prepared the financial statements of the Regional Emergency Dispatch Authority from the original books and records provided to them by the management of the Authority. Management is responsible for the financial statements.