

**State of New Mexico  
County of Hidalgo**

**Basic Financial Statements and  
Supplementary Information  
for the Year Ended June 30, 2012  
and Independent Auditors' Report**

STATE OF NEW MEXICO, COUNTY OF HIDALGO

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STATE OF NEW MEXICO, COUNTY OF HIDALGO

OFFICIAL ROSTER  
JUNE 30, 2012

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Elected Officials

Ed Kerr	Commissioner
Darr Shannon	Commissioner
Richard Chaires	Commissioner

Administrative Officials

Jose Salazar	County Manager
Tisha Green	Assistant County Manager
Priscilla Maxwell	County Dispatch Supervisor
Loretta Ward	County Detention Supervisor
Tommy Dimas	County Transfer Station Supervisor
Clarence Rudiger	County Road Supervisor
David Whipple	County Fire Marshall/Ambulance Supervisor
Patsy Camacho	County Treasurer
Lloyd Payne	County Probate Judge
Jody Hatch	County Assessor
Carmen Acosta	County Clerk
Saturnino Madero	County Sheriff
Richard Gomez	Detention Administrator

## INDEPENDENT AUDITORS' REPORT

Hector H. Balderas  
New Mexico State Auditor  
and the Board of Commissioners  
County of Hidalgo  
 Lordsburg, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the County of Hidalgo (the "County"), as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons for the nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2012 on

our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements, and the combining and individual fund financial statements, and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*White + Samaniego + Campbell, LLP*

El Paso, Texas  
October 3, 2012



## STATE OF NEW MEXICO, COUNTY OF HIDALGO

### MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2012

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This section of County of Hidalgo's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2012. Please read it in conjunction with the County's financial statements, which follow this section.

#### FINANCIAL HIGHLIGHTS

- The assets of the County of Hidalgo exceeded its liabilities at the close of the most recent fiscal year end by \$22,229,963 (*net assets*). Of this amount, \$5,227,433 (*unrestricted net assets*) may be used to meet the government's ongoing, obligations to citizens and creditors.
- The government's total net assets decreased by \$691,327 during the fiscal year. The majority of this is due to a decrease in grant revenue when compared to the year ended June 30, 2011.
- As of June 30, 2012, the County's governmental funds reported combined ending fund balances of \$8,061,897. Of this total, \$250,965 is restricted for capital projects.
- At the close of the current fiscal year, unassigned fund balance of the general fund was \$3,859,287.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the County's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses.
- Fiduciary fund statements provide information about the financial relationships which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

Major Features of the County				
			Financial Statements	
<i>Types of Statements</i>	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County (except fiduciary funds) and the Agency's component units	The activities of the County that are not proprietary or fiduciary	Activities that the County operates similar to private businesses: Ambulance	Instances in which the County is the trustee or agent for someone else's resources
Required financial statements	Statement of net assets	Balance Sheet	Statement of net assets	Statement of fiduciary net assets
	Statement of activities	Statement of revenues, expenditures & changes in fund balances	Statement of revenues, expenses and changes in fund net assets	Statement of changes in fiduciary net assets
			Statement of cash flows	
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus

### Government-wide Statements

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

The *statements of net assets* presents information on all of the County of Hidalgo's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county of Hidalgo is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the County of Hidalgo that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County of Hidalgo include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the County include ambulance services.

### Fund Financial Statements

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

#### *Governmental Funds*

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

finance the County's programs.

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

The County of Hidalgo maintains twenty-three individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Fund, and Fire Fund, all of which are considered to be major funds. Data from the other twenty governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

#### ***Proprietary Funds***

*Proprietary funds* are generally used to account for services for which the County charges customers - either outside customers or internal units or departments of the County. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The County maintains one proprietary fund and no component unit. The proprietary fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses a proprietary fund to account for the Ambulance operations of the County. The proprietary fund is considered to be a major fund of the County.

#### ***Fiduciary Funds***

*Fiduciary funds* are used to account for services for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County of Hidalgo's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 47 of this report.

### **Combining Statements**

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 51 through 57 of this report.

## **Analysis of Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Hidalgo, net assets exceeded liabilities by \$22,229,963 at the close of the current fiscal year.

The largest portion of the County of Hidalgo's net assets represent the County's investment of \$14,158,391 in capital assets (e.g., land improvements, buildings, infrastructure, and machinery and equipment), less any related outstanding debt used to acquire those assets. The County of Hidalgo uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County of Hidalgo's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the County of Hidalgo's net assets (less than one percent) represents resources that are subject to restrictions. The restrictions relate to covenants provided by the County's long-term debt issuance and capital projects. The remaining balance of unrestricted net assets of \$5,227,433 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County of Hidalgo is able to report positive balances in all three categories of net assets, for the government as a whole as well as for the business-type activities.

## **Analysis of Changes in Net Assets**

During the current fiscal year, the County's net assets in governmental and business-type activities decreased by \$691,327. These decreases are explained in the governmental activities discussion.

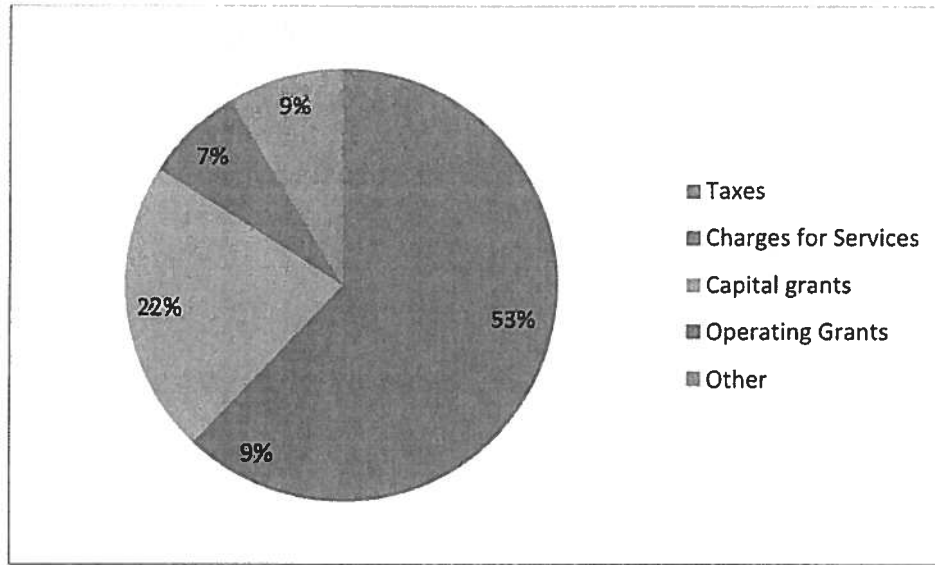
### ***Governmental Activities***

Governmental activities decreased the County of Hidalgo's net assets by \$648,243. Grant revenue decreased \$7,424,600 from grant revenue in the prior year. Property taxes and gross receipts taxes contributed \$2,843,107 for covering the \$6,468,071 net program expense associated with governmental activities.

Governmental revenues, consisting mostly of taxes and grants, are not directly associated with any government function. The total revenues decreased \$6,356,569.

Total revenues from governmental activities are summarized below. For fiscal year 2011-2012, Local and State taxes made up 53% of the total general government revenues compared to 15% of the revenues in the prior year.

### Revenue by Source – General Government



#### *Business-Type Activities*

Business-type activities decreased the County's net assets by \$184,084 before transfers of \$141,000 in from the general fund, compared to the prior year's decrease of \$130,100 before transfers of \$185,000 from the general fund. The key element of this increase compared to the prior year change was a decreased in expenditures for the ambulance service during the current year. However, the operating revenue had minor changes when compared to the prior year.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

MANAGEMENT'S DISCUSSION AND ANALYSIS  
SUMMARY OF NET ASSETS

	Governmental Activities		Business-Type Activities		Totals		Total Percent Change 2011-2012
	2012	2011	2012	2011	2012	2011	
<b>ASSETS</b>							
Current and other assets	\$ 8,205,870	\$ 9,059,054	\$ 69,375	\$ 77,093	\$ 8,275,245	\$ 9,136,147	- %
Capital assets, net of accumulated depreciation	15,570,866	15,890,550	382,498	430,881	15,953,364	16,321,431	- %
Total assets	<u>\$ 23,776,736</u>	<u>\$ 24,949,604</u>	<u>\$ 451,873</u>	<u>\$ 507,974</u>	<u>\$ 24,228,609</u>	<u>\$ 25,457,578</u>	<u>- %</u>
<b>LIABILITIES</b>							
Current and other liabilities	\$ 305,398	\$ 671,412	\$ 17,709	\$ 30,726	\$ 323,107	\$ 702,138	(78)%
Long-term liabilities	1,675,539	1,834,150	-	-	1,675,539	1,834,150	4 %
Total liabilities	<u>1,980,937</u>	<u>2,505,562</u>	<u>17,709</u>	<u>30,726</u>	<u>1,998,646</u>	<u>2,536,288</u>	<u>(10)%</u>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	13,775,893	13,886,744	382,498	430,881	14,158,391	14,317,625	19 %
Restricted	2,844,139	3,511,309	-	-	2,844,139	3,511,309	7 %
Unrestricted	5,175,767	5,045,989	51,666	46,367	5,227,433	5,092,356	(1)%
Total net assets	<u>21,795,799</u>	<u>22,444,042</u>	<u>434,164</u>	<u>477,248</u>	<u>22,229,963</u>	<u>22,921,290</u>	<u>7 %</u>
Total liabilities and net assets	<u>\$ 23,776,736</u>	<u>\$ 24,949,604</u>	<u>\$ 451,873</u>	<u>\$ 507,974</u>	<u>\$ 24,228,609</u>	<u>\$ 25,457,578</u>	<u>4 %</u>

STATE OF NEW MEXICO, COUNTY OF HIDALGO

MANAGEMENT'S DISCUSSION AND ANALYSIS  
CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Totals		Total Percent Change 2011-2012
	2012	2011	2012	2011	2012	2011	
<b>REVENUES</b>							
Program revenues:							
Charges for services	\$ 517,616	\$ 815,163	\$ 272,241	\$ 290,689	\$ 789,857	\$ 1,105,852	4 %
Operating grants and contributions	433,597	2,221,841	-	-	433,597	2,221,841	125 %
Capital grants and contributions	1,307,667	6,944,023	-	-	1,307,667	6,944,023	(31)%
General revenues:							
Taxes	3,181,988	1,801,195	-	-	3,181,988	1,801,195	(15)%
Other income	516,675	533,440	-	73,000	516,675	606,440	236 %
Interest income	3,285	1,735	-	-	3,285	1,735	(42)%
<b>Total revenues</b>	<b>5,960,828</b>	<b>12,317,397</b>	<b>272,241</b>	<b>363,689</b>	<b>6,233,069</b>	<b>12,681,086</b>	<b>38 %</b>
<b>EXPENSES</b>							
General government	1,252,928	1,178,461	-	-	1,252,928	1,178,461	9 %
Public safety	3,989,352	2,913,526	-	-	3,989,352	2,913,526	45 %
Public works	420,555	664,558	-	-	420,555	664,558	14 %
Health and welfare	643,357	634,575	-	-	643,357	634,575	4 %
Culture and recreation	161,879	207,540	-	-	161,879	207,540	(64)%
Proprietary expenses	-	-	456,325	678,789	456,325	678,789	47 %
<b>Total expenses</b>	<b>6,468,071</b>	<b>5,598,660</b>	<b>456,325</b>	<b>678,789</b>	<b>6,924,396</b>	<b>6,277,449</b>	<b>23 %</b>
Changes in net assets before transfers	(507,243)	6,718,737	(184,084)	(315,100)	(691,327)	6,403,637	3,019 %
Transfers	(141,000)	(185,000)	141,000	185,000	-	-	- %
Change in net assets	(648,243)	6,533,737	(43,084)	(130,100)	(691,327)	6,403,637	300 %
Net assets - beginning	22,444,042	15,910,305	477,248	607,348	22,921,290	16,517,653	- %
Net assets - ending	\$ 21,795,799	\$ 22,444,042	\$ 434,164	\$ 477,248	\$ 22,229,963	\$ 22,921,290	7 %

## FINANCIAL ANALYSIS OF THE COUNTY OF HIDALGO AS A WHOLE

As noted earlier, the County of Hidalgo uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

### *Governmental Funds*

The focus of the County of Hidalgo's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County of Hidalgo's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the County include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

As of the end of the current fiscal year, the County of Hidalgo's governmental funds reported combined ending fund balances of \$8,061,897, a decrease of \$534,578 in comparison with the prior year. The decrease is primarily due to the decrease in grant revenue. Approximately 65% of this total amount, \$5,217,758 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed to pay capital projects, \$250,965.

Revenues for governmental functions overall totaled approximately \$7,341,289 in the fiscal year-ended June 30, 2011, which represents a decrease of \$6,106,312 from the fiscal year-ended June 30, 2011. Expenditures for governmental functions totaled \$7,734,867. This was a decrease of approximately \$4,670,992 from the fiscal year-ended June 30, 2011, which is primarily a result in decreased grant revenues and capital outlay expenditures. In the fiscal year-ended June 30, 2012, expenditures for governmental functions exceeded revenues by approximately \$393,578.

The General Fund is the chief operating fund of the County of Hidalgo. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,859,287.

The Road Fund has a total fund balance of \$615,955, all of which is unassigned. The net increase in fund balance during the current year in the Fire Fund was \$18,860. This increase is primarily due to grant revenues for capital outlay expenditures.

### *Proprietary Funds*

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net assets for Ambulance were \$51,666. The total decrease in net assets for the proprietary fund was \$43,084.

### *Fiduciary Funds*

The County maintains fiduciary funds for the assets of various agency funds. Changes to the fiduciary funds were immaterial for the fiscal year.

### **Budgetary Highlights**

County budgets reflect the same pattern as seen in the revenue and expenditures of the County. The State of New Mexico budget process is defined under State law and regulation. To enhance the process of developing a budget at the county level, the County of Hidalgo utilizes goals and objectives defined by the County



Commissioners, community input meetings, long-term plans and input from various staff groups to develop the County budget. The County priorities are well defined through out this process.

GASB Statement No. 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

**General Fund Budgetary Highlights**

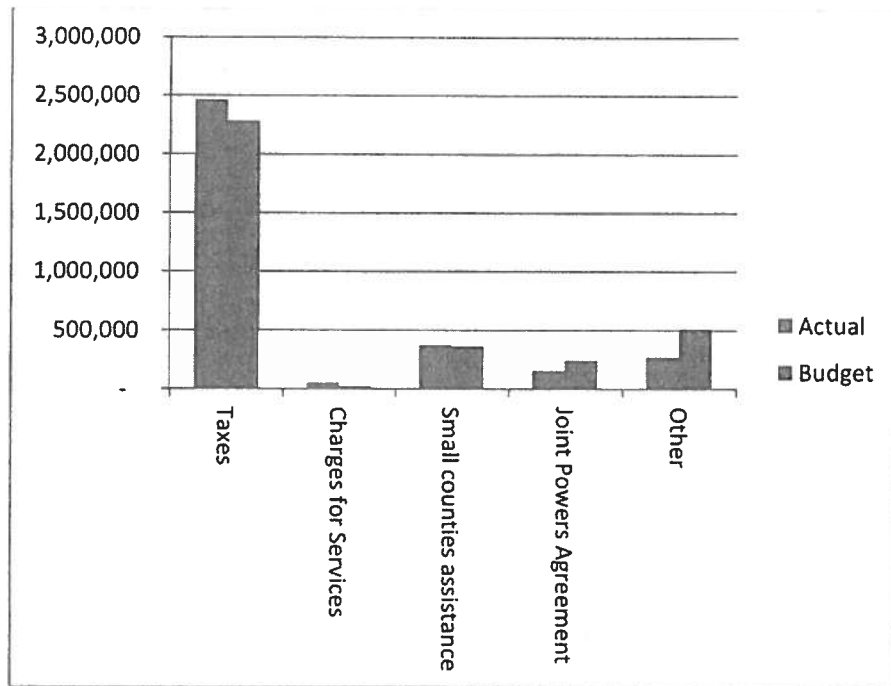
The General Fund accounts for all of the general services provided by the County of Hidalgo.

The County has not modified the budget throughout the fiscal year. If modifications were needed, this is done with resolutions to the budget.

**Change in Cash and Investments**

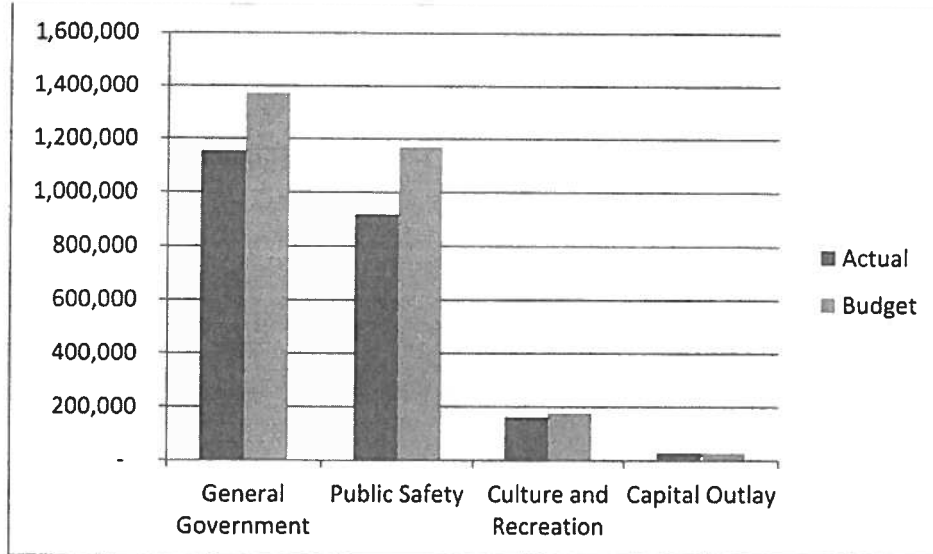
The following chart demonstrates a summary of the major revenue sources received compared to the approved budget for the General Fund.

**Budget and Actual Revenue by Source – General Fund**



General government expenditures include all administrative functions of the County which include: County Commissioners, Administration, Finance, Maintenance, Public Safety, Road Repairs, Health and Welfare, and Culture and Recreation. The following chart shows a summary of functional categories for expenditures:

### Budget and Actual Expenditures by Source – General Fund



### Capital Asset and Debt Administration

#### *Capital Assets*

The County of Hidalgo's capital assets for its governmental and business-type activities as of June 30, 2012 amount to \$15,953,364 (net of accumulated depreciation). Capital assets include land improvements, buildings, machinery, equipment, and infrastructure. The total increase in the County's capital assets (excluding accumulated depreciation) for the current fiscal year was \$1,473,580 for governmental activities. Equipment costing \$901,121 was purchased for the County. The deletions in the governmental funds consisted of the disposal of obsolete equipment costing \$758,556. The deletions in the business-type funds also consisted of the disposal of obsolete equipment costing \$123,724.

The following is a schedule showing the Net Value of the Capital Assets and the application of the principal balances of the notes as of the fiscal year end:

**Capital Assets, Net of Depreciation**  
**June 30, 2012**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
Land and Construction in Progress	\$ 9,259,379	\$ 49,616	\$ 9,308,995
Buildings	3,369,857	209,158	3,579,015
Improvements and Infrastructure	221,290	123,724	345,014
Machinery and Equipment	<u>2,720,340</u>	<u>-</u>	<u>2,720,340</u>
Capital Assets, Net of Accumulated Depreciation	<u>\$ 15,570,866</u>	<u>\$ 382,498</u>	<u>\$ 15,953,364</u>

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 5 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

The Statement of Net Assets shows the Investment in Capital Assets-Governmental Funds in the amount of \$13,775,893. This investment includes the land, buildings, land and building improvements, equipment, construction in progress, and all applicable debt service.

The County's loans decreased \$208,833 through principal payments. Additional information on the County's debt can be found in Note 6.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Inflationary trends in the region compare favorably to national indices.
- The re-opening of the Morenci Mine has made a significant impact of the economy of the County of Hidalgo.

The above factors were considered in preparing the County of Hidalgo's budget for the 2012 fiscal year.

**CONTACTING THE COUNTY OF HIDALGO COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the County of Hidalgo's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Hidalgo Administration, County of Hidalgo, 300 South Shakespeare, Lordsburg, New Mexico, 88045.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF NET ASSETS  
JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 5,375,411	\$ 34,256	\$ 5,409,667
Accounts receivable	-	35,119	35,119
Taxes receivable	337,587	-	337,587
Reserve funds	1,345,249	-	1,345,249
Due from other governments	<u>1,147,623</u>	<u>-</u>	<u>1,147,623</u>
Total current assets	8,205,870	69,375	8,275,245
<b>NON-CURRENT ASSETS:</b>			
Capital assets	24,107,895	1,084,693	25,192,588
Less: accumulated depreciation	<u>(8,537,029)</u>	<u>(702,195)</u>	<u>(9,239,224)</u>
Total non-current assets	<u>15,570,866</u>	<u>382,498</u>	<u>15,953,364</u>
Total assets	<u>\$ 23,776,736</u>	<u>\$ 451,873</u>	<u>\$ 24,228,609</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 12,471	\$ -	\$ 12,471
Accrued salaries	58,468	7,328	65,796
Due to other funds	73,034	-	73,034
Compensated absences	<u>41,991</u>	<u>10,381</u>	<u>52,372</u>
Total current liabilities	<u>185,964</u>	<u>17,709</u>	<u>203,673</u>
<b>NON-CURRENT LIABILITIES:</b>			
Due within one year	119,434	-	119,434
Due in more than one year	<u>1,675,539</u>	<u>-</u>	<u>1,675,539</u>
Total non-current liabilities	<u>1,794,973</u>	<u>-</u>	<u>1,794,973</u>
Total liabilities	<u>1,980,937</u>	<u>17,709</u>	<u>1,998,646</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	13,775,893	382,498	14,158,391
Restricted for:			
Capital projects	250,965	-	250,965
Special revenue funds	2,593,174	-	2,593,174
Unrestricted	<u>5,175,767</u>	<u>51,666</u>	<u>5,227,433</u>
Total net assets	<u>21,795,799</u>	<u>434,164</u>	<u>22,229,963</u>
Total liabilities and net assets	<u>\$ 23,776,736</u>	<u>\$ 451,873</u>	<u>\$ 24,228,609</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

FUNCTIONS/PROGRAMS	Net (Expenses) Revenue and changes in Net Assets Primary						
	Expenses	Charges for Services	Program Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,252,928	\$ 53,581	\$ -	\$ -	\$ (1,199,347)	\$ -	\$ (1,199,347)
Public safety	3,989,352	464,035	388,116	1,307,667	(1,829,534)	-	(1,829,534)
Public works	364,670	-	45,481	-	(319,189)	-	(319,189)
Health and welfare	643,357	-	-	-	(643,357)	-	(643,357)
Culture and recreation	161,879	-	-	-	(161,879)	-	(161,879)
Interest on long-term debt	55,885	-	-	-	(55,885)	-	(55,885)
Total governmental activities	6,468,071	517,616	433,597	1,307,667	(4,209,191)	-	(4,209,191)
Business-Type activities							
Ambulance service	456,325	272,241	-	-	-	(184,084)	(184,084)
Total business-type activities	456,325	272,241	-	-	-	(184,084)	(184,084)
Total primary government	\$ 6,924,396	\$ 789,857	\$ 433,597	\$ 1,307,667	\$ (4,209,191)	\$ (184,084)	\$ (4,393,275)
General revenues:							
Taxes							
Property taxes					2,503,826	-	2,503,826
Motor vehicle taxes					208,253	-	208,253
Gasoline taxes					130,628	-	130,628
Gross receipts taxes					339,281	-	339,281
State shared assistance							
Small counties assistance					376,000	-	376,000
Intergovernmental income					101,828	-	101,828
License and fees					3,285	-	3,285
Investment income					38,847	-	38,847
Transfers					(141,000)	141,000	-
Total general revenues					3,560,948	141,000	3,701,948
Change in net assets					(648,243)	(43,084)	(691,327)
Net assets - beginning					22,444,042	477,248	22,921,290
Net assets - ending					\$ 21,795,799	\$ 434,164	\$ 22,229,963

See independent auditors' report and accompanying notes to financial statements.

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

STATE OF NEW MEXICO, COUNTY OF HIDALGO

BALANCE SHEET - GOVERNMENTAL FUNDS  
 JUNE 30, 2012

	<u>General Fund</u>	<u>Road Fund</u>	<u>Fire Fund</u>	<u>Total Non- Major Funds</u>	<u>Total Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,279,481	\$ 466,768	\$ 754,987	\$ 1,874,175	\$ 5,375,411
Taxes receivable	337,587	-	-	-	337,587
Reserve funds	1,345,249	-	-	-	1,345,249
Due from other governments	-	154,395	-	993,228	1,147,623
Total assets	<u>\$ 3,962,317</u>	<u>\$ 621,163</u>	<u>\$ 754,987</u>	<u>\$ 2,867,403</u>	<u>\$ 8,205,870</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 12,471	\$ -	\$ 12,471
Accrued liabilities	29,996	5,208	-	23,264	58,468
Due to other funds	73,034	-	-	-	73,034
Total liabilities	103,030	5,208	12,471	23,264	143,973
Fund Balance:					
Restricted for capital projects	-	-	-	250,965	250,965
Restricted for special revenue funds	-	-	-	2,593,174	2,593,174
Unassigned	3,859,287	615,955	742,516	-	5,217,758
Total fund balances	<u>3,859,287</u>	<u>615,955</u>	<u>742,516</u>	<u>2,844,139</u>	<u>8,061,897</u>
Total liabilities and fund balances	<u>\$ 3,962,317</u>	<u>\$ 621,163</u>	<u>\$ 754,987</u>	<u>\$ 2,867,403</u>	<u>\$ 8,205,870</u>

See independent auditors' report and accompanying notes to financial statements.



STATE OF NEW MEXICO, COUNTY OF HIDALGO

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENT FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2012

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**Total fund balance - governmental funds** \$ 8,061,897

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in governmental funds.

Cost of capital assets	24,107,895	
Accumulated depreciation	<u>(8,537,029)</u>	15,570,866

Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds:

Accrued compensated absences not payable from current revenue	(41,991)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds

<u>(1,794,973)</u>
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**Total net assets - governmental activities** \$ 21,795,799

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Road Fund	Fire Fund	Total Non- Major Funds	Total Funds
<b>REVENUES</b>					
Property taxes	\$ 2,503,826	\$ -	\$ -	\$ -	\$ 2,503,826
Motor vehicle taxes	18,509	189,744	-	-	208,253
Gasoline taxes	-	130,628	-	-	130,628
Gross receipts taxes	-	-	-	339,281	339,281
Intergovernmental income	-	49,721	-	52,107	101,828
Charges for services	53,581	-	-	464,035	517,616
Joint powers agreements	158,992	-	-	-	158,992
Small counties assistance	376,000	-	-	-	376,000
License and fines	3,285	-	-	-	3,285
Other income	229,457	45,481	-	93,151	368,089
Investment income	38,847	-	-	-	38,847
Federal grant	-	-	-	34,000	34,000
State grant	-	-	388,116	2,172,528	2,560,644
	<u>3,382,497</u>	<u>415,574</u>	<u>388,116</u>	<u>3,155,102</u>	<u>7,341,289</u>
Total revenues					
<b>EXPENDITURES</b>					
Current:					
General government	1,247,687	-	-	5,241	1,252,928
Public safety	919,285	-	198,460	2,871,607	3,989,352
Public works	-	364,670	-	-	364,670
Culture and recreation	161,879	-	-	-	161,879
Health and welfare	-	-	-	643,357	643,357
Debt service					
Interest	-	-	-	49,380	49,380
Principal	-	-	-	208,833	208,833
Capital outlay	27,752	22,742	170,796	843,178	1,064,468
	<u>2,356,603</u>	<u>387,412</u>	<u>369,256</u>	<u>4,621,596</u>	<u>7,734,867</u>
Total expenditures					
Excess (deficiency) revenues over (under) expenditures	<u>1,025,894</u>	<u>28,162</u>	<u>18,860</u>	<u>(1,466,494)</u>	<u>(393,578)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	361,278	-	-	1,392,802	1,754,080
Transfers out	<u>(1,301,602)</u>	<u>-</u>	<u>-</u>	<u>(593,478)</u>	<u>(1,895,080)</u>
	<u>(940,324)</u>	<u>-</u>	<u>-</u>	<u>799,324</u>	<u>(141,000)</u>
Total other financing sources (uses)					
Net change in fund balance	85,570	28,162	18,860	(667,170)	(534,578)
Fund balance beginning of year	<u>3,773,717</u>	<u>587,793</u>	<u>723,656</u>	<u>3,511,309</u>	<u>8,596,475</u>
Fund balance end of year	<u>\$ 3,859,287</u>	<u>\$ 615,955</u>	<u>\$ 742,516</u>	<u>\$ 2,844,139</u>	<u>\$ 8,061,897</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2012

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**Total net change in fund balances - governmental funds** \$ (534,578)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital assets reported as capital outlay expenditures	1,473,580	
Disposal of assets	(1,061,791)	
Depreciation expense	<u>(731,472)</u>	(319,683)

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

Principal payment on bonds	208,833	
Proceeds from note payable	-	
Compensated absences	<u>(2,815)</u>	<u>206,018</u>

Change in net assets of governmental activities \$ (648,243)

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Property taxes	\$ 2,267,886	\$ 2,267,886	\$ 2,444,904	\$ 177,018
Motor vehicle taxes	15,000	15,000	18,509	3,509
Licenses & fines	2,000	2,000	3,285	1,285
Charges for services	26,500	26,500	53,581	27,081
Miscellaneous revenues	397,500	467,500	229,457	(238,043)
Investment income	45,000	45,000	38,847	(6,153)
Joint powers agreements	242,868	242,868	158,992	(83,876)
Small counties assistance	365,000	365,000	376,000	11,000
<b>Total revenues</b>	<u>3,361,754</u>	<u>3,431,754</u>	<u>3,323,575</u>	<u>(108,179)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	1,316,475	1,371,475	1,153,193	218,282
Public safety	1,158,344	1,169,844	919,285	250,559
Culture and recreation	175,689	175,689	161,879	13,810
Capital outlay	28,000	28,000	27,752	248
<b>Total expenditures</b>	<u>2,678,508</u>	<u>2,745,008</u>	<u>2,262,109</u>	<u>482,899</u>
Excess (deficiency) of revenues over expenditures	<u>683,246</u>	<u>686,746</u>	<u>1,061,466</u>	<u>374,720</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	361,278	361,278	361,278	-
Transfers out	(1,043,389)	(1,043,389)	(1,301,602)	(258,213)
<b>Total other financing sources (uses)</b>	<u>(682,111)</u>	<u>(682,111)</u>	<u>(940,324)</u>	<u>(258,213)</u>
Net changes in fund balance Non-GAAP basis	1,135	4,635	121,142	116,507
Fund balance - beginning	<u>3,773,717</u>	<u>3,773,717</u>	<u>3,773,717</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,774,852</u>	<u>\$ 3,778,352</u>	<u>\$ 3,894,859</u>	<u>\$ 116,507</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ 121,142	
Revenue accruals		58,923		
Expenditure accruals		(94,495)	(35,572)	
Excess of revenues over expenditures - GAAP basis			<u>\$ 85,570</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 SPECIAL REVENUE FUND - ROAD FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Motor vehicle taxes	\$ 150,000	\$ 150,000	\$ 189,745	\$ 39,745
Gasoline taxes	120,000	120,000	130,628	10,628
State grants	215,187	215,187	49,721	(165,466)
Federal grants	-	-	-	-
Investment income	500	500	-	(500)
Miscellaneous	250,000	250,000	45,481	(204,519)
Total revenues	<u>735,687</u>	<u>735,687</u>	<u>415,575</u>	<u>(320,112)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	697,902	697,902	358,957	338,945
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>22,742</u>	<u>2,258</u>
Total expenditures	<u>722,902</u>	<u>722,902</u>	<u>381,699</u>	<u>341,203</u>
Net changes in fund balance Non-GAAP basis	12,785	12,785	33,876	21,091
Fund balance - beginning	<u>587,793</u>	<u>587,793</u>	<u>587,793</u>	<u>-</u>
Fund balance - ending	<u>\$ 600,578</u>	<u>\$ 600,578</u>	<u>\$ 621,669</u>	<u>\$ 21,091</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ 33,876	
Revenue accruals		-		
Expenditure accruals		<u>(5,714)</u>	<u>(5,714)</u>	
Excess of revenues over expenditures - GAAP basis			<u>\$ 28,162</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 SPECIAL REVENUE FUND - FIRE FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State grants	\$ 332,472	\$ 332,472	\$ 309,118	\$ (23,354)
Miscellaneous	<u>269,549</u>	<u>269,549</u>	<u>78,998</u>	<u>(190,551)</u>
Total revenues	<u>602,021</u>	<u>602,021</u>	<u>388,116</u>	<u>(213,905)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	332,659	332,659	198,460	134,199
Capital outlay	<u>268,500</u>	<u>268,500</u>	<u>170,796</u>	<u>97,704</u>
Total expenditures	<u>601,159</u>	<u>601,159</u>	<u>369,256</u>	<u>231,903</u>
Excess (deficiency) of revenues over expenditures	<u>862</u>	<u>862</u>	<u>18,860</u>	<u>17,998</u>
Net changes in fund balance Non-GAAP basis	862	862	18,860	17,998
Fund balance - beginning	<u>723,656</u>	<u>723,656</u>	<u>723,656</u>	<u>-</u>
Fund balance - ending	<u>\$ 724,518</u>	<u>\$ 724,518</u>	<u>\$ 742,516</u>	<u>\$ 17,998</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			18,860	
Revenue accruals		-		
Expenditure accruals		-		
Excess of revenues over expenditures - GAAP basis			<u>\$ 18,860</u>	

See independent auditors' report and accompanying notes to financial statements.

**PROPRIETARY FUND**

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS - AMBULANCE FUND  
JUNE 30, 2012

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**ASSETS**

Current assets:

Cash and cash equivalents	\$ 34,256
Accounts receivable, net of allowance for doubtful accounts	<u>35,119</u>

Total current assets	69,375
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Non-current assets:

Capital assets	1,084,693
Accumulated depreciation	<u>(702,195)</u>

Total non-current assets	<u>382,498</u>
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Total assets	<u>\$ 451,873</u>
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**LIABILITIES**

Current liabilities:

Accrued salaries	7,328
Accrued compensated absences	<u>10,381</u>

Total current liabilities	17,709
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**NET ASSETS**

Invested in capital assets	382,498
Unrestricted	<u>51,666</u>

Net assets	<u>434,164</u>
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Total liabilities and net assets	<u>\$ 451,873</u>
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See independent auditors' report and accompanying notes to financial statements.



STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS - AMBULANCE FUND  
FOR THE YEAR ENDED JUNE 30, 2012

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<b>OPERATING REVENUES</b>	
Charges for services	\$ <u>272,241</u>
Total revenues	272,241
<b>OPERATING EXPENSES</b>	
Personnel expenses	312,836
Depreciation	48,383
Other operating costs	<u>95,106</u>
Total operating expenses	<u>456,325</u>
Operating loss	(184,084)
Transfers in	<u>141,000</u>
Change in net assets	(43,084)
Net assets beginning of year	<u>477,248</u>
Net assets end of year	<u>\$ 434,164</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - AMBULANCE FUND  
FOR THE YEAR ENDED JUNE 30, 2012

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<b>Cash flows from operating activities:</b>	
Cash received from agencies and customers	\$ 258,069
Cash payments to suppliers for goods and services	(95,105)
Cash used for salaries and operating expenses	<u>(325,853)</u>
Net cash used in operating activities	<u>(162,889)</u>
<b>Cash flows from financing activities - capital and non-capital:</b>	
Intergovernmental transfers	<u>141,000</u>
Net cash provided by financing activities	<u>141,000</u>
Net decrease in cash and cash equivalents	(21,889)
Cash and cash equivalents - beginning of year	<u>56,145</u>
Cash and cash equivalents - end of year	<u>\$ 34,256</u>
<b>Reconciliation of operating income to net cash used in operating activities:</b>	
Operating loss	\$ (184,084)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	48,383
Changes in assets and liabilities:	
Receivables	(14,171)
Accrued salaries	<u>(13,017)</u>
Net cash used in operating activities	<u>\$ (162,889)</u>

See independent auditors' report and accompanying notes to financial statements.

**AGENCY FUNDS**

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2012

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**ASSETS**

Current assets:

Cash \$ 51,619

Total assets \$ 51,619

**LIABILITIES**

Current liabilities

Accounts payable \$ 51,619

Total liabilities \$ 51,619

See independent auditors' report and accompanying notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS**

# STATE OF NEW MEXICO, COUNTY OF HIDALGO

## NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Hidalgo (the County) is a political sub-division of the State of New Mexico established under the provisions of New Mexico State Statute Chapter 11, 1919, and began operations January 1, 1920. The County is regulated by the Constitution of the State of New Mexico. The County operates under a commission-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, planning and zoning, property assessment, tax collection and general administrative services.

The financial statements of County of Hidalgo (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the County's accounting policies are described below.

In June 1999, the GASB unanimously approved Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. In June 2001, the GASB approved Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus and Statement No. 38, Certain Financial Statement Note Disclosures. Statement No. 37 clarifies and modifies Statement No. 34 and should be implemented simultaneously with Statement No. 34. Statement No. 38 modifies, establishes, and rescinds certain financial statement disclosures requirements.

#### A. 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-14. 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. Based upon the application of these criteria, the County has no component units, and is not a component unit of another governmental agency.

**B. Basis of Presentation**

*The government-wide financial statements* - The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity 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.

The Statement of Net Assets 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.

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 neither fiduciary funds nor component units that are fiduciary in nature 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 Fund Financial Statements**

*Government-wide and Fiduciary Financial Statements* - The government-wide, proprietary, and agency fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include gross receipts taxes and property taxes, grants and entitlements. On an accrual basis, revenue from property taxes, net of estimated refunds and uncollectible amounts, is recognized as revenues in the year for which they are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements are met.

All governmental and business-type activities of the County follow FASB Statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The county has elected not to follow FASB Statements and interpretations issued after November 30, 1989.

*Fund Financial Statements* - Governmental funds 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. The County considers all revenues to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues not considered available are recorded as deferred revenues. Property taxes, gross receipts taxes, franchise taxes, and interest are considered susceptible to accrual. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. 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. For this purpose, the government considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government because they are not measurable or reasonably estimable.

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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Government funds are used to account for the County's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general capital assets and the servicing of general long-term debt. Governmental funds include:

**General Fund** - This 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. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the County except for items included in other funds.

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

**The Debt Service Funds** - To account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

**The Capital Projects Fund** - To account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

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

**The Road Fund** - To account for the distribution of gasoline taxes and motor vehicles registration fees to the County and the expenditure for construction, reconstruction, resurfacing or other improvement or maintenance of public roads as authorized by NMSA 1978 Section 7-24A-5.



**The Fire Fund** - To account for operations and maintenance of five fire districts in the County. Financing is provided from the County's share of a fire allotment issued by the State Fire Marshal under NMSA 59-31-1. Such revenue provides for all current operating costs and some payments on capital purchases.

The government reports its proprietary fund (Ambulance Fund) as a major fund. The purpose of the Ambulance Fund is to account for the operation and maintenance of the ambulance service for the County.

Additionally, the government reports the following fund types:

**The Fiduciary Funds** are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are used to account for the collection and payment of property taxes and special fees to other governmental agencies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

Amounts reported as *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*.

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

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

**Proprietary funds** distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the County's enterprise fund is charges for ambulance services. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources, as they are needed.

**D. Assets, Liabilities and Net Assets or Equity**

**1. Deposits and Investments:**

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

- a. State statutes authorize the County to invest in Certificates of Deposit, obligations of the U.S. Government, and fully collateralized repurchase agreements.
- b. Investments for the County are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

**2. Receivables and Payables:**

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the County may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent.

**3. Prepaid Items:**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary financial statements.

**4. Capital Assets:**

Capital assets, which include land, construction in progress, buildings, improvements, machinery and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets including computer software 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) are to be included as part of the governmental capital assets reported in the government-wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation.

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. No computer software is developed in-house.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements/Infrastructure	40
Machinery and equipment	5-30

5. **Deferred Revenue:**

Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. In addition, property taxes receivable but uncollected within sixty (60) days of year end are classified as deferred revenue.

6. **Compensated Absences:**

Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of five days to twenty-five days per year, depending on length of service. Annual leave earned by an employee must be taken within the subsequent twelve (12) months. Employees who have worked at least one (1) year shall be paid prorated annual leave upon separation.

Qualified employees are entitled to accumulate sick leave at the rate of four hours of sick leave for every two weeks of services (beginning the anniversary date of employment). A regular employee may accumulate up to 360 hours of sick leave in total. Sick leave for regular part-time employment accrues on a prorated basis. Upon termination, employees receive no pay for sick time accumulated.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the government fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net assets.

7. **Long-Term Obligations:**

In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

8. **Net Assets:**

The government-wide and business-type activities fund financial statements utilize a net assets presentation.

*Investment in capital assets, net of related debt* - This category reflects the portion of net assets that are associated with capital assets less outstanding capital asset related debt.

*Restricted net assets* - Restricted net assets result from the constraints placed on the use of net assets when externally imposed by creditors, grantors, laws and regulations of other governments and imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* - This category reflects net assets of the County, not restricted for any project or other purpose.

9. **Fund Balance:**

In the fund financial statements, governmental fund balances are classified as follows:

**Nonspendable** - fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes amounts to be held in perpetuity.

**Restricted** - Fund balance should be reported when constraints placed on the use of resources are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. Imposed by law through constitutional provisions or enabling legislation.
- c. Enabling legislation, as the term is used in this Statement, authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that a government can be compelled by an external party-such as citizens, public interest groups, or the judiciary-to use resources created by enabling legislation only for the purposes specified by the legislation.

**Unassigned** - fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

**10. Inter-Fund Transactions:**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements are reported as transfers. All other inter-fund transfers are reported as operating transfers.

**11. 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.

**12. Property Taxes**

Articles 35 through 38, Chapter 7, New Mexico Statutes annotated, 1978 is the Property Tax Code. The code provides for valuation, administration and enforcement of property taxes. The Department of Finance and Administration sets tax rates for the governmental units sharing in the tax.

The Constitution of the State of New Mexico provides the following maximum tax rates and restrictions concerning the use of tax proceeds.

Taxes levied upon tangible property shall be in proportion of the value thereof; the taxes shall be equal and uniform upon subjects of taxation of the same class. Different methods may be provided by law to determine value of different kinds of property, but the percentage of value against which tax rates are assessed shall not exceed thirty-three and one-third percent.

Property taxes attached as an enforceable lien on property as of January 1st. Property tax rates for the year are set no later than September 1st each year by the New Mexico Secretary of Finance and Administration. The rates of tax are then used by the Hidalgo County Assessor to develop the property tax schedule by October 1st. The Hidalgo County Treasurer sends tax notices to property owners by November 1st of each year. Taxes are payable in equal semiannual installments by November 10th and April 10th of subsequent year. Thirty days later the bill becomes delinquent and the County Treasurer assesses penalties and interest. The County Treasurer is statutorily required to collect taxes as an intermediary agency for all forms of government. Distribution of taxes collected is made through the County Treasurer's office.

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### *Budgetary Information*

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

1. Two months prior to June 30th, the County Manager submits to the County Commission a proposed operating budget for the upcoming fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the County Office to obtain taxpayer comments.
3. After the County Commission approves the proposed budget, it is then submitted to the Local Government Division of the State Department of Finance and Administration for review and certification.
4. Upon certification the budget becomes a legally binding document. Total expenditures in any fund may not exceed the amount budgeted.
5. The County Manager is authorized to transfer budgeted amounts among departments within a fund; however, the County Commission and the Local Government Division of the State Department of Finance and Administration must approve these revisions.
6. Any revisions that increase the total budgeted expenditures of any fund must have written approval of the Secretary of Finance and Administration and the Attorney General. If such approval is not granted, the County is legally restricted under state statutes to the total expenditures provided for in the budget.
7. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Funds.

Budgets are not adopted on a basis consistent with generally accepted accounting principles (GAAP). Throughout the year, the accounting records are maintained on a Non-GAAP basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the budgets are adopted on the cash basis of accounting. Budgetary comparisons presented for in this report are on this Non-GAAP budgetary basis. Appropriations lapse at year-end, therefore, beginning cash balances reflected as fund balances or retained earnings in the budgetary comparisons are considered available resources for the subsequent year's budget. The budget amounts shown in the financial statements are the final authorization amounts as revised during the year.

No budget was adopted for the CDBG Renovation capital projects fund as no revenues or expenditures were anticipated.

The County is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present 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 generally accepted accounting principles, 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, 2012 are presented.

**2. CUSTODIAL CREDIT RISK - DEPOSITS**

The County had the following depository accounts. All deposits are carried at cost plus accrued interest. The County does not have a deposit policy.

<u>Depository Account</u>	<u>Bank Balance</u>
Collateralized:	
Collateral held by pledging bank's trust not in the county's name	4,424,824
Uninsured and uncollateralized	<u>3,151,851</u>
 Total Cash and Investments, Primary Government	 <u>\$ 7,576,675</u>

*Custodial Credit Risk - Deposits* - Custodial Credit Risk is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of June 30, 2012, \$7,576,675 of the County's bank balance of \$7,826,675 was exposed to custodial credit risk as follows:

Insured	\$ 250,000
Uninsured and uncollateralized	3,151,851
Uninsured and collateralized held by pledging bank's trust department not in County's name	<u>4,424,824</u>
 Total Cash and Investments, Primary Government	 <u>\$ 7,826,675</u>

**3. ACCOUNTS RECEIVABLE**

The amount shown as accounts receivable represent amounts due from oil and gas taxes, motor vehicle taxes, and gross receipts taxes.

Accounts receivable as of June 30, 2012, consist of the following:

	<u>Governmental Funds</u>	<u>Proprietary Fund</u>	<u>Total</u>
Taxes receivable:			
Property taxes	\$ 337,587	\$ -	\$ 337,587
Due from other governments:			
Intergovernmental	1,147,623	-	1,147,623
Other receivables:			
Accounts receivable	<u>-</u>	<u>35,119</u>	<u>35,119</u>
 Net receivables	 <u>\$ 1,485,210</u>	 <u>\$ 35,119</u>	 <u>\$ 1,520,329</u>

All amounts are considered to be collectible.

#### 4. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2012, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

Depreciation expense, for the year ended June 30, 2012 was charged as follows:

General Government	\$ 211,200
Public Safety	411,221
Public Works	88,867
Culture and Recreation	<u>20,184</u>
Total depreciation expense	<u>\$ 731,472</u>

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
<b>Government activities:</b>				
Capital assets not being depreciated				
Land	\$ 293,029	\$ -	\$ (159,977)	\$ 133,052
Construction in progress	<u>8,553,868</u>	<u>572,459</u>	<u>-</u>	<u>9,126,327</u>
Total	8,846,897	572,459	(159,977)	9,259,379
Other capital assets being depreciated				
Buildings	6,923,095	-	(143,258)	6,779,837
Improvements/Infrastructure	397,485	-	-	397,485
Machinery and equipment	<u>7,528,629</u>	<u>901,121</u>	<u>(758,556)</u>	<u>7,671,194</u>
Total	23,696,106	1,473,580	(1,061,791)	24,107,895
Accumulated depreciation:				
Buildings	3,212,681	197,299	-	3,409,980
Improvements/Infrastructure	165,398	10,797	-	176,195
Machinery and equipment	<u>4,427,478</u>	<u>523,376</u>	<u>-</u>	<u>4,950,854</u>
Total accumulated depreciation	<u>7,805,557</u>	<u>731,472</u>	<u>-</u>	<u>8,537,029</u>
Net book value	<u>\$ 15,890,549</u>	<u>\$ 742,108</u>	<u>\$ (1,061,791)</u>	<u>\$ 15,570,866</u>



	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Business-type activities</b>				
Capital assets not being depreciated				
Construction in progress	\$ 49,616	\$ -	\$ -	\$ 49,616
Capital assets being depreciated				
Buildings	442,685	-	(123,724)	318,961
Improvements/Infrastructure	716,116	-	-	716,116
Total	1,208,417	-	(123,724)	1,084,693
Accumulated depreciation:				
Buildings	61,420	48,383	-	109,803
Improvements/Infrastructure	716,116	-	(123,724)	592,392
Total accumulated depreciation	777,536	48,383	(123,724)	702,195
Net book value	<u>\$ 430,881</u>	<u>\$ (48,383)</u>	<u>\$ -</u>	<u>\$ 382,498</u>

Depreciation expense relating to business-like activities for the year-ended June 30, 2012 totaled \$48,383.

#### 5. LONG-TERM LIABILITIES

During the year-end June 30, 2012, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance</u> <u>6/30/11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/12</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Funds</b>					
Gross receipts revenue bonds	\$ 135,527	\$ -	\$ 135,527	\$ -	\$ -
Detention Center	1,829,092	-	54,002	1,775,090	57,560
Playas Fire Dept	39,187	-	19,304	19,883	19,883
Compensated absences	39,177	57,388	54,574	41,991	41,991
Total	<u>\$ 2,042,983</u>	<u>\$ 57,388</u>	<u>\$ 263,407</u>	<u>\$ 1,836,964</u>	<u>\$ 119,434</u>

Excess gross receipts taxes collected are applied against principal of the revenue bonds annually. NMFA loans are paid by the Fire Funds. Accrued compensated absences are paid out of various funds in the following percentage: 78.3% from General Fund, 10.1% from Road Fund, 6.8% from C&C Transfer Station, 3.0% from Gross Receipts Landfill, and 1.4% from Hidalgo Complex.

	<u>Balance</u> <u>6/30/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/12</u>	<u>Due Within</u> <u>One Year</u>
<b>Proprietary Fund</b>					
Compensated absences	<u>\$ 11,924</u>	<u>\$ 10,035</u>	<u>\$ 11,578</u>	<u>\$ 10,381</u>	<u>\$ 10,381</u>

This liability for compensated absences is paid out of the proprietary fund.

**NMFA Loan Payable - Detention Center**

On June 20, 2008, the County entered into a loan agreement with the New Mexico Finance Authority for the construction of a new detention center for the County. The County pledged future revenues from the County's gross receipts tax. This revenue is subject to an intercept agreement. The original amount of the loan was \$1,984,634. Interest on the loan is 4.20%. The term of the loan was fifteen years. Although payments are deducted monthly, the annual payments of the loan are as follows:

<u>Due in Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2013	57,560	2,418	59,978
2014	59,135	2,484	61,619
2015	60,848	2,556	63,404
2016	62,692	2,633	65,325
2017	64,676	2,716	67,392
2018-2034	<u>1,470,179</u>	<u>6,148</u>	<u>1,476,327</u>
	<u>\$ 1,775,090</u>	<u>\$ 18,955</u>	<u>\$ 1,794,045</u>

The above loan was set up with a required reserve funds payable. The New Mexico Finance Authority required \$849,548 for the reserve funds payable at the end of June 30, 2012.

**NMFA Loan Payable - Playas Fire Department**

On December 23, 2008, the County entered into a loan agreement with the New Mexico Finance Authority for the purchase of a new fire substation for the Playas Fire Department. The County pledged future revenues from the Fire Protection Fund revenue distributions made annually to Playas Fire District by the State Fire Marshal. This revenue is subject to an intercept agreement. The original amount of the loan was \$76,125. Interest on the loan is 3%. The term of the loan was four years. Although payments are deducted monthly, the annual payments of the loan are as follows:

<u>Due in Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2013	<u>\$ 19,883</u>	<u>\$ 597</u>	<u>\$ 20,480</u>
	<u>\$ 19,883</u>	<u>\$ 597</u>	<u>\$ 20,480</u>

**6 RISK MANAGEMENT**

The County is subject to risk of loss through areas of general liability, worker's compensation, and natural disaster to minimize the risk of loss for general liability, the County has insurance coverage through a private common carrier. The coverage includes commercial general liability, property, inland marine, crime, errors and omissions and automobile. The coverage limitation varies for each type of coverage purchased.

For the policy period of July 1, 2011 through June 30, 2012, the premiums paid by the County were \$191,082. The assumption of risk transfers upon payment of premiums within the policy limits. To minimize the risk of loss for worker's compensation, the County participates in the New Mexico County Insurance Association (a risk pool of counties within the State of New Mexico).

**7. PERA PENSION PLAN**

*Plan Description* - Substantially all of the County of Hidalgo'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 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 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 [www.pera.state.nm.us](http://www.pera.state.nm.us).

*Funding Policy* - Plan members are required to contribute 7% for municipal employees and 13.5% of gross salaries for law enforcement employees. The County is required to contribute 9.15% for law enforcement plan members and 9.15% for all other plan members. The contribution requirements of plan members and County of Hidalgo 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 years ended June 30, 2012, June 30, 2011 and June 30, 2010 were \$190,060, \$173,119, and \$183,703, respectively, which equal the amount of the required contributions for each fiscal year.

**8. POST-EMPLOYMENT BENEFITS**

The County of Hidalgo did not participate in the Retiree Health Care Act Program during the fiscal years ending June 30, 2012.

**9. CONTINGENCIES**

The County is party to various claims and lawsuits arising in the normal course of business. The County is insured through the New Mexico County Insurance authority. In the opinion of management, the outcome of these matters will not have a material effect on the financial position of the County.

**10. 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. Any liability for reimbursement, which may arise as a result of these audits, is not believed to be material.

## 11. INTER-FUND TRANSFERS AND BALANCES

The composition of interfund transfers for Governmental Activities during the year ended June 30, 2012 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$ 361,278	\$ 1,301,602
Grants	2,200	350,278
Clerk's Equipment and Recording	-	2,200
Correction Fees	-	200,000
Indigent Care	-	11,000
Debt Service	258,213	-
Lodger's Tax Fund	389	-
Detention Center	1,000,000	-
C& C Transfers	91,795	-
Recyclable Monies	40,205	-
Gross Receipts Environmental	-	30,000
	<u>\$ 1,754,080</u>	<u>\$ 1,895,080</u>
Enterprise Funds:		
Ambulance Fund	<u>\$ 141,000</u>	<u>\$ -</u>
Total	<u>\$ 1,895,080</u>	<u>\$ 1,895,080</u>

**NON-MAJOR GOVERNMENTAL FUNDS**

## SPECIAL REVENUE FUNDS

**CLERK'S EQUIPMENT & RECORDING FUND** - To account for revenues and expenditures for control of equipment. The fees collected are restricted in that they may only be used for the purchase of equipment associated with the recording, filing, maintaining, or reproducing of documents in the Office of the County Clerk. This fund was created by authority of state statute (see section 14-8-2.2, NMSA 1978 Compilation).

**FARM AND RANGE FUND** - To account for the operations and maintenance of County roads and predatory animal control. Financing is provided by the County's share of grazing fees. Such fees provide for payment of all current operating costs and may be used only for that purpose. Authority is NMSA 6-1-6.

**PROPERTY VALUATION FUND** - To account for funds used to provide valuation services to the County and other local entities. This fund was created by authority of state statute (see Section 7-38-38.1, NMSA 1978 Compilation).

**C & C TRANSFER STATION FUND** - To account for fees charged and expenditures of a city and county transfer station. In addition to the fees charged, the County provides funds from the gross receipts tax fund and the general fund. Authority is motion of the County Commission.

**GRANTS FUND** - To account for grant funds received from the New Mexico Department of Public Safety and other state and federal agencies under the authority of state statute (see section 11-6A-5, NMSA 1978 and Chapter 65).

**CORRECTION FEES FUND** - To account for correction fees authorized by Section 35-14-11, NMSA, 1978. Such revenues are used to supplement general funds for the care of prisoners.

**DARE (DRUG CONTROL AND SYSTEMS IMPROVEMENT FORMULA) GRANT FUND** - To account for grant funds to help students recognize and resist pressure that influence them to experiment with alcohol, drugs or tobacco. Funding is provided by the United States Department of Justice pursuant Anti-Drug Abuse Act of 1988, Public Law 100-690, Title VI, Subtitle C.

**LAW ENFORCEMENT PROTECTION FUND** - To account for revenues and expenditures for maintaining and improving the County's law enforcement department in order to enhance its efficiency and effectiveness. Funding is from the State appropriation authorized by Section 29-13-3F, NMSA.

**GROSS RECEIPTS LANDFILL FUND** - To account for a gross receipts tax imposed to fund environmental activities, mainly sanitary landfill closure and disposal of solid waste. Authority is NMSA 1978 7-20E-17.

**INDIGENT CARE FUND** - To account for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute (see section 7-20OE-9, NMSA 1978 compilation).

**GROSS RECEIPTS ENVIRONMENTAL FUND** - To account for a gross receipts tax dedicated for acquisition, construction operation and maintenance of water facilities, wastewater facilities, sewer systems and related facilities. Authority is local ordinance authorized by NMSA 1978 7-19D-10.

**EMS GRANT FUND** - To account for grant monies restricted to expenditures for improvement and operations of emergency medical services. Sources of funds are the State of New Mexico Health and Environment Department, Emergency Medical Services Bureau. Expenditures are subject to approval of County commission and the state Agency. NMSA 24-10A to 24-10A-10.

**HIDALGO COMPLEX FUND** - To account for funds received for staffing and managing the Hidalgo Complex Capital Projects.

**LODGER'S TAX FUND** - To account for a lodger's tax imposed to promote business. Authority is NMSA 1978 3-38-15.

**RECYCLABLE MONIES FUND** - To account for recycling fees collected pursuant to NMSA 1978 66-6-5 and 66-6-8.

**DETENTION CENTER FUND** - To account for funds relating to detention facilities. Authority is NMSA 1978 33-3-25.

#### **CAPITAL PROJECTS FUNDS**

**HOSPITAL ACQUISITION FUND** - To account for the cost of construction of a new health care facility financed by revenue bonds and a grant from the federal government. Authorized by County Hospital Emergency Gross Receipts Act, Section 7-20C-1 through 7-20C-17, NMSA 1978.

**DETENTION BUILDING FUND** - To account for a gross receipts tax imposed to fund Detention Center improvements. Authority is local ordinance authorized by NMSA 1978 7-20E-17.

**FEMA DISASTER FUND** - To account for grant funds from the FEMA disaster relief fund. Funding is from the Department of Homeland Security through the New Mexico Office of Emergency Management. Authorized by the FEMA Major Disaster Declaration FEMA-1659-DR.

#### **DEBT SERVICE FUNDS**

**HOSPITAL DEBT SERVICE FUND** - To account for the accumulation of gross receipts taxes applied to the gross receipts revenue bonds debt service at New Mexico Finance Authority. Authorized by Section 7-20C-1 through 7-20C-17, NMSA 1978.

**PLAYAS FIRE DEBT SERVICE FUND** - To account for funds received from state fire distribution for new fire substation debt service to New Mexico Finance Authority. Authorized by County Resolution 2008-49 and Section 59A-53-7 NMSA 1978.

**DETENTION CENTER DEBT SERVICE FUND** - To account for funds received for fund Detention Center improvements. Authority is local ordinance authorized by NMSA 1978 7-20E-17.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,623,210	\$ 250,965	\$ -	\$ 1,874,175
Due from other funds	<u>993,228</u>	<u>-</u>	<u>-</u>	<u>993,228</u>
Total assets	<u>\$ 2,616,438</u>	<u>\$ 250,965</u>	<u>\$ -</u>	<u>\$ 2,867,403</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accrued liabilities	\$ 23,264	\$ -	\$ -	\$ 23,264
Total liabilities	23,264	-	-	23,264
Fund Balance:				
Restricted for capital projects	-	250,965	-	250,965
Restricted for special revenue funds	<u>2,593,174</u>	<u>-</u>	<u>-</u>	<u>2,593,174</u>
Total fund balances	<u>2,593,174</u>	<u>250,965</u>	<u>-</u>	<u>2,844,139</u>
Total liabilities and fund balances	<u>\$ 2,616,438</u>	<u>\$ 250,965</u>	<u>\$ -</u>	<u>\$ 2,867,403</u>

See independent auditors' report and accompanying notes to financial statements.



STATE OF NEW MEXICO, COUNTY OF HIDALGO

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Funds
<b>REVENUES</b>				
Gross receipts taxes	\$ 339,281	\$ -	\$ -	\$ 339,281
Intergovernmental income	52,107	-	-	52,107
Charges for services	464,035	-	-	464,035
Other income	75,609	17,542	-	93,151
Federal grant	34,000	-	-	34,000
State grant	2,172,528	-	-	2,172,528
	<u>3,137,560</u>	<u>17,542</u>	<u>-</u>	<u>3,155,102</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
General government	5,241	-	-	5,241
Public safety	2,871,607	-	-	2,871,607
Health and welfare	629,279	14,078	-	643,357
Debt service				
Interest	-	-	49,380	49,380
Principal	-	-	208,833	208,833
Capital outlay	843,178	-	-	843,178
	<u>4,349,305</u>	<u>14,078</u>	<u>258,213</u>	<u>4,621,596</u>
Total expenditures				
Excess (deficiency) revenues over ex (under) expenditures	<u>(1,211,745)</u>	<u>3,464</u>	<u>(258,213)</u>	<u>(1,466,494)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,134,589	-	258,213	1,392,802
Transfers out	(593,478)	-	-	(593,478)
	<u>541,111</u>	<u>-</u>	<u>258,213</u>	<u>799,324</u>
Total other financing sources (uses)				
Net change in fund balance	(670,634)	3,464	-	(667,170)
Fund balance beginning of year	<u>3,263,808</u>	<u>247,501</u>	<u>-</u>	<u>3,511,309</u>
Fund balance end of year	<u>\$ 2,593,174</u>	<u>\$ 250,965</u>	<u>\$ -</u>	<u>\$ 2,844,139</u>

See independent auditors' report and accompanying notes to financial statements.

**SPECIAL REVENUE FUNDS**

STATE OF NEW MEXICO, COUNTY OF HIDALGO

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS  
 JUNE 30, 2012

	Clerk's Equipment and Recording	Farm and Range	Property Recreation	C & C Transfer	Grants	Correction Fees	DARE
<b>ASSETS</b>							
Cash and cash equivalents	\$ 16,940	\$ 41,658	\$ 218,052	\$ 6,917	\$ 230,971	\$ 760,400	\$ 40,267
Due from other funds	-	-	-	-	950,986	42,242	-
Total assets	<u>\$ 16,940</u>	<u>\$ 41,658</u>	<u>\$ 218,052</u>	<u>\$ 6,917</u>	<u>\$ 1,181,957</u>	<u>\$ 802,642</u>	<u>\$ 40,267</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities							
Accrued liabilities	\$ -	\$ -	\$ -	\$ 2,709	\$ 9,722	\$ -	\$ -
Total liabilities	-	-	-	2,709	9,722	-	-
Fund balance							
Restricted for special revenue funds	16,940	41,658	218,052	4,208	1,172,235	802,642	40,267
Total liabilities and fund balance	<u>\$ 16,940</u>	<u>\$ 41,658</u>	<u>\$ 218,052</u>	<u>\$ 6,917</u>	<u>\$ 1,181,957</u>	<u>\$ 802,642</u>	<u>\$ 40,267</u>

(Continued)

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS  
 JUNE 30, 2012

	Law Enf Protection	Gross Receipts Landfill	Indigent Care	Gross Receipts Env.	EMS Grant	Hidalgo Complex	Lodger's Tax	Recyclable Monies	Detention Center	Total
Cash and cash equivalents	\$ 992	\$ 72,417	\$ 102,442	\$ 60,033	\$ 3,611	\$ 11,169	\$ 2,261	\$ 44,946	\$ 10,134	\$ 1,623,210
Due from other funds	-	-	-	-	-	-	-	-	-	993,228
Total assets	\$ 992	\$ 72,417	\$ 102,442	\$ 60,033	\$ 3,611	\$ 11,169	\$ 2,261	\$ 44,946	\$ 10,134	\$ 2,616,438
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities										
Accrued liabilities	\$ -	\$ 661	\$ -	\$ -	\$ -	\$ 86	\$ -	\$ -	\$ 10,086	\$ 23,264
Total liabilities	-	661	-	-	-	86	-	-	10,086	23,264
Fund balance										
Restricted for special revenue funds	992	71,756	102,442	60,033	3,611	11,083	2,261	44,946	48	2,593,174
Total liabilities and fund balance	\$ 992	\$ 72,417	\$ 102,442	\$ 60,033	\$ 3,611	\$ 11,169	\$ 2,261	\$ 44,946	\$ 10,134	\$ 2,616,438

(Concluded)

See independent auditors' report and accompanying notes to financial statements.

**STATE OF NEW MEXICO, COUNTY OF HIDALGO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Clerk's Equipment and Recording	Farm and Range	Property Recreation	C & C Transfer	Grants	Correction Fees	DARE
<b>REVENUES</b>							
State shared taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-	-	-	-
Intergovernmental income	-	28,533	-	-	-	-	-
Charges for services	5,099	-	30,369	163,589	-	260,237	-
Other income	-	-	-	-	-	-	9,460
State grants	-	-	-	-	2,126,620	-	-
Federal grants	-	-	-	-	34,000	-	-
Total revenues	<u>5,099</u>	<u>28,533</u>	<u>30,369</u>	<u>163,589</u>	<u>2,160,620</u>	<u>260,237</u>	<u>9,460</u>
<b>EXPENDITURES</b>							
Current:							
General government	4,153	-	1,088	-	-	-	-
Public safety	-	-	-	-	1,712,264	90,709	5,868
Culture and recreation	-	-	-	-	-	-	-
Health and welfare	-	29,000	-	275,147	-	-	-
Capital outlay	-	-	73,526	-	769,652	-	-
Total expenditures	<u>4,153</u>	<u>29,000</u>	<u>74,614</u>	<u>275,147</u>	<u>2,481,916</u>	<u>90,709</u>	<u>5,868</u>
Excess (deficiency) of revenues over (under) expenditures	946	(467)	(44,245)	(111,558)	(321,296)	169,528	3,592
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	-	-	-	91,795	2,200	-	-
Operating transfers out	(2,200)	-	-	-	(350,278)	(200,000)	-
Total other financing source (uses)	<u>(2,200)</u>	<u>-</u>	<u>-</u>	<u>91,795</u>	<u>(348,078)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	(1,254)	(467)	(44,245)	(19,763)	(669,374)	(30,472)	3,592
Fund balance, beginning of year	18,194	42,125	262,297	23,971	1,841,609	833,114	36,675
Fund balance, end of year	<u>\$ 16,940</u>	<u>\$ 41,658</u>	<u>\$ 218,052</u>	<u>\$ 4,208</u>	<u>\$ 1,172,235</u>	<u>\$ 802,642</u>	<u>\$ 40,267</u>

See independent auditors' report and accompanying notes to financial statements.

(Continued)

**STATE OF NEW MEXICO, COUNTY OF HIDALGO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012**

	Law Enf. Protection	Gross Receipts Landfill	Indigent Care	Gross Receipts Env.	EMS Grant	Hidalgo Complex	Lodgers Tax	Recyclable Monies	Detention Center	Total
<b>REVENUES</b>										
State shared taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	133,704	133,642	71,935	-	-	-	-	-	339,281
Intergovernmental income	20,051	-	-	-	3,523	-	-	-	-	52,107
Charges for services	-	-	-	-	-	-	-	4,741	-	464,035
Other income	-	-	-	-	-	26,825	1,872	-	37,452	75,609
State grants	-	-	-	-	45,908	-	-	-	-	2,172,528
Federal grants	-	-	-	-	-	-	-	-	-	34,000
Total revenues	20,051	133,704	133,642	71,935	49,431	26,825	1,872	4,741	37,452	3,137,560
<b>EXPENDITURES</b>										
Current:										
General government	-	-	-	-	-	-	-	-	-	5,241
Public safety	25,362	-	-	-	-	-	-	-	1,037,404	2,871,607
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	115,908	120,393	-	55,877	32,954	-	-	-	629,279
Capital outlay	-	-	-	-	-	-	-	-	-	843,178
Total expenditures	25,362	115,908	120,393	-	55,877	32,954	-	-	1,037,404	4,349,305
Excess (deficiency) of revenues over (under) expenditures	(5,311)	17,796	13,249	71,935	(6,446)	(6,129)	1,872	4,741	(999,952)	(1,211,745)
<b>OTHER FINANCING SOURCES (USES)</b>										
Operating transfers in	-	-	-	-	-	-	389	40,205	1,000,000	1,134,589
Operating transfers out	-	-	(11,000)	(30,000)	-	-	-	-	-	(593,478)
Total other financing source (uses)	-	-	(11,000)	(30,000)	-	-	389	40,205	1,000,000	541,111
Net change in fund balance	(5,311)	17,796	2,249	41,935	(6,446)	(6,129)	2,261	44,946	48	(670,634)
Fund balance, beginning of year	6,303	53,960	100,193	18,098	10,057	17,212	-	-	-	3,263,808
Fund balance, end of year	992	71,756	102,442	60,033	3,611	11,083	2,261	44,946	48	2,593,174

See independent auditors' report and accompanying notes to financial statements. (Concluded)

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - CLERK'S EQUIPMENT AND RECORDING FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Charges for services	\$ 10,000	\$ 10,000	\$ 5,099	\$ (4,901)
Total revenues	10,000	10,000	5,099	(4,901)
<b>EXPENDITURES:</b>				
Current:				
General government	7,000	7,000	4,153	2,847
Total expenditures	7,000	7,000	4,153	2,847
Excess (deficiency) of revenues over expenditures	3,000	3,000	946	(2,054)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,200)	(2,200)	(2,200)	-
Total other financing sources (uses)	(2,200)	(2,200)	(2,200)	-
Net changes in fund balance Non-GAAP basis	800	800	(1,254)	(2,054)
Fund balance - beginning	18,194	18,194	18,194	-
Fund balance - ending	\$ 18,994	\$ 18,994	\$ 16,940	\$ (2,054)
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ (1,254)	
Revenue accruals		-		
Expenditure accruals		-		
Excess of revenues over expenditures - GAAP basis			\$ (1,254)	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - FARM AND RANGE FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Intergovernmental income	\$ 29,000	\$ 29,000	\$ 28,533	\$ (467)
Total revenues	29,000	29,000	28,533	(467)
<b>EXPENDITURES:</b>				
Current:				
Health and welfare	29,000	29,000	29,000	-
Total expenditures	29,000	29,000	29,000	-
Excess (deficiency) of revenues over expenditures	-	-	(467)	(467)
Net changes in fund balance Non-GAAP basis	-	-	(467)	(467)
Fund balance - beginning	42,125	42,125	42,125	-
Fund balance - ending	\$ 42,125	\$ 42,125	\$ 41,658	\$ (467)
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ (467)	
Revenue accruals		-		
Expenditure accruals		-		
Excess of revenues over expenditures - GAAP basis			\$ (467)	

See independent auditors' report and accompanying notes to financial statements.



STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - PROPERTY VALUATION FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Charges for services	\$ 20,000	\$ 20,000	\$ 30,369	\$ 10,369
Total revenues	20,000	20,000	30,369	10,369
<b>EXPENDITURES:</b>				
Current:				
General government	9,268	9,268	1,088	8,180
Capital outlay	<u>52,895</u>	<u>73,526</u>	<u>73,526</u>	<u>-</u>
Total expenditures	<u>62,163</u>	<u>82,794</u>	<u>74,614</u>	<u>8,180</u>
Excess (deficiency) of revenues over expenditures	<u>(42,163)</u>	<u>(62,794)</u>	<u>(44,245)</u>	<u>18,549</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>43,000</u>	<u>63,000</u>	<u>-</u>	<u>(63,000)</u>
Total other financing sources (uses)	<u>43,000</u>	<u>63,000</u>	<u>-</u>	<u>(63,000)</u>
Net changes in fund balance Non-GAAP basis	837	206	(44,245)	(44,451)
Fund balance - beginning	<u>262,297</u>	<u>262,297</u>	<u>262,297</u>	<u>-</u>
Fund balance - ending	<u>\$ 263,134</u>	<u>\$ 262,503</u>	<u>\$ 218,052</u>	<u>\$ (44,451)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ (44,245)	
Revenue accruals		-		
Expenditure accruals		-		
Excess of revenues over expenditures - GAAP basis			<u>\$ (44,245)</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - C & C TRANSFER  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Charges for services	\$ 195,000	\$ 195,000	\$ 163,589	\$ (31,411)
Total revenues	195,000	195,000	163,589	(31,411)
<b>EXPENDITURES:</b>				
Current				
Health and welfare	376,892	376,892	277,991	98,901
Total expenditures	376,892	376,892	277,991	98,901
Excess (deficiency) of revenues over expenditures	(181,892)	(181,892)	(114,402)	67,490
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	191,795	191,795	91,795	(100,000)
Total other financing sources (uses)	191,795	191,795	91,795	(100,000)
Net changes in fund balance Non-GAAP basis	9,903	9,903	(22,607)	(32,510)
Fund balance - beginning	23,971	23,971	23,971	-
Fund balance - ending	\$ 33,874	\$ 33,874	\$ 1,364	\$ (32,510)
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ (22,607)	
Revenue accruals		-		
Expenditure accruals		2,844	2,844	
Excess of revenues over expenditures - GAAP basis			\$ (19,763)	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - GRANTS FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State grants	\$ 4,700,681	\$ 4,821,041	\$ 2,161,055	\$ (2,659,986)
Federal grants	-	-	34,000	34,000
Total revenues	4,700,681	4,821,041	2,195,055	(2,625,986)
<b>EXPENDITURES:</b>				
Current:				
Public safety	4,348,480	4,465,241	1,673,944	2,791,297
Capital outlay	-	-	769,652	(769,652)
Total expenditures	4,348,480	4,465,241	2,443,596	2,021,645
Excess (deficiency) of revenues over expenditures	352,201	355,800	(248,541)	(604,341)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(348,000)	(348,000)	(348,000)	-
Total other financing sources (uses)	(348,000)	348,000	(348,000)	(696,000)
Net changes in fund balance Non-GAAP basis	4,201	703,800	(596,541)	(1,300,341)
Fund balance - beginning	1,841,609	1,841,609	1,841,609	-
Fund balance - ending	\$ 1,845,810	\$ 2,545,409	\$ 1,245,068	\$ (1,300,341)
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ (596,541)	
Revenue accruals		263,621		
Expenditure accruals		(336,454)	(72,833)	
Excess of revenues over expenditures - GAAP basis			\$ (669,374)	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - CORRECTION FEES FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Charges for services	\$ 150,000	\$ 150,000	\$ 182,615	\$ 32,615
Miscellaneous income	588,000	588,000	77,622	(510,378)
Total revenues	738,000	738,000	260,237	(477,763)
<b>EXPENDITURES:</b>				
Current:				
Public safety	532,618	532,618	90,709	441,909
Total expenditures	532,618	532,618	90,709	441,909
Excess (deficiency) of revenues over expenditures	205,382	205,382	169,528	(35,854)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	(200,000)	(200,000)	(200,000)	-
Net changes in fund balance Non-GAAP basis	5,382	5,382	(30,472)	(35,854)
Fund balance - beginning	833,114	833,114	833,114	-
Fund balance - ending	\$ 838,496	\$ 838,496	\$ 802,642	\$ (35,854)
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ (30,472)	
Revenue accruals		-		
Expenditure accruals		-		
Excess of revenues over expenditures - GAAP basis			\$ (30,472)	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - DARE FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Other income	\$ 11,000	\$ 11,000	\$ 9,460	\$ (1,540)
Total revenues	11,000	11,000	9,460	(1,540)
<b>EXPENDITURES:</b>				
Current:				
Public safety	7,000	7,000	5,868	1,132
Total expenditures	7,000	7,000	5,868	1,132
Excess (deficiency) of revenues over expenditures	4,000	4,000	3,592	(408)
Net changes in fund balance Non-GAAP basis	4,000	4,000	3,592	(408)
Fund balance - beginning	36,675	36,675	36,675	-
Fund balance - ending	\$ 40,675	\$ 40,675	\$ 40,267	\$ (408)
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ 3,592	
Revenue accruals		-		
Expenditure accruals		-		
Excess of revenues over expenditures - GAAP basis			\$ 3,592	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - LAW ENFORCEMENT PROTECTION FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Intergovernmental income	\$ 25,400	\$ 25,400	\$ 20,051	\$ (5,349)
Total revenues	25,400	25,400	20,051	(5,349)
<b>EXPENDITURES:</b>				
Current				
Public safety	25,400	25,400	25,362	38
Total expenditures	25,400	25,400	25,362	38
Excess (deficiency) of revenues over expenditures	-	-	(5,311)	(5,311)
Net changes in fund balance Non-GAAP basis	-	-	(5,311)	(5,311)
Fund balance - beginning	6,303	6,303	6,303	-
Fund balance - ending	\$ 6,303	\$ 6,303	\$ 992	\$ (5,311)
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ (5,311)	
Revenue accruals		-		
Expenditure accruals		-		
Excess of revenues over expenditures - GAAP basis			\$ (5,311)	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - GROSS RECEIPTS / LANDFILL  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Gross receipts taxes	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 133,702</u>	<u>\$ 13,702</u>
Total revenues	120,000	120,000	133,702	13,702
<b>EXPENDITURES:</b>				
Current:				
Health and welfare	<u>119,728</u>	<u>119,728</u>	<u>117,443</u>	<u>2,285</u>
Total expenditures	<u>119,728</u>	<u>119,728</u>	<u>117,443</u>	<u>2,285</u>
Excess (deficiency) of revenues over expenditures	<u>272</u>	<u>272</u>	<u>16,259</u>	<u>15,987</u>
Net changes in fund balance Non-GAAP basis	272	272	16,259	15,987
Fund balance - beginning	<u>53,960</u>	<u>53,960</u>	<u>53,960</u>	<u>-</u>
Fund balance - ending	<u>\$ 54,232</u>	<u>\$ 54,232</u>	<u>\$ 70,219</u>	<u>\$ 15,987</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ 16,259	
Revenue accruals		-		
Expenditure accruals		<u>1,537</u>	<u>1,537</u>	
Excess of revenues over expenditures - GAAP basis			<u>\$ 17,796</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - INDIGENT CARE FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Gross receipts taxes	\$ 127,450	\$ 127,450	\$ 133,642	\$ 6,192
Total revenues	127,450	127,450	133,642	6,192
<b>EXPENDITURES:</b>				
Current:				
Health and welfare	127,450	127,450	120,393	7,057
Total expenditures	127,450	127,450	120,393	7,057
Excess (deficiency) of revenues over expenditures	-	-	13,249	13,249
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(11,000)	(11,000)
Total other financing sources (uses)	-	-	(11,000)	(11,000)
Net changes in fund balance Non-GAAP basis	-	-	2,249	2,249
Fund balance - beginning	100,193	100,193	100,193	-
Fund balance - ending	\$ 100,193	\$ 100,193	\$ 102,442	\$ 2,249
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ 2,249	
Revenue accruals		-		
Expenditure accruals		-		
Excess of revenues over expenditures - GAAP basis			\$ 2,249	

See independent auditors' report and accompanying notes to financial statements.



STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - GROSS RECEIPTS / ENVIRONMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Gross receipts taxes	\$ 36,000	\$ 36,000	\$ 71,935	\$ 35,935
Total revenues	36,000	36,000	71,935	35,935
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	36,000	36,000	71,935	35,935
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing sources (uses)	(30,000)	(30,000)	(30,000)	-
Net changes in fund balance Non-GAAP basis	6,000	6,000	41,935	35,935
Fund balance - beginning	18,098	18,098	18,098	-
Fund balance - ending	\$ 24,098	\$ 24,098	\$ 60,033	\$ 35,935
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ 41,935	
Revenue accruals		-	-	
Expenditure accruals		-	-	
Excess of revenues over expenditures - GAAP basis			\$ 41,935	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - EMS GRANT FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Intergovernmental income	\$ 55,877	\$ 55,877	\$ 49,431	\$ (6,446)
Total revenues	55,877	55,877	49,431	(6,446)
<b>EXPENDITURES:</b>				
Current:				
Health and welfare	45,877	55,877	55,877	-
Total expenditures	45,877	55,877	55,877	-
Excess (deficiency) of revenues over expenditures	10,000	-	(6,446)	(6,446)
Net changes in fund balance Non-GAAP basis	10,000	-	(6,446)	(6,446)
Fund balance - beginning	10,057	10,057	10,057	-
Fund balance - ending	\$ 20,057	\$ 10,057	\$ 3,611	\$ (6,446)
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ (6,446)	
Revenue accruals		-		
Expenditure accruals		-		
Excess of revenues over expenditures - GAAP basis			\$ (6,446)	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - HIDALGO COMPLEX FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Other income	\$ 31,000	\$ 31,000	\$ 26,825	\$ (4,175)
Total revenues	31,000	31,000	26,825	(4,175)
<b>EXPENDITURES:</b>				
Current:				
Health and welfare	30,464	33,464	33,189	275
Total expenditures	30,464	33,464	33,189	275
Excess (deficiency) of revenues over expenditures	536	(2,464)	(6,364)	(3,900)
Net changes in fund balance Non-GAAP basis	536	(2,464)	(6,364)	(3,900)
Fund balance - beginning	17,212	17,212	17,212	-
Fund balance - ending	<u>\$ 17,748</u>	<u>\$ 14,748</u>	<u>\$ 10,848</u>	<u>\$ (3,900)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ (6,364)	
Revenue accruals		-		
Expenditure accruals		235	235	
Excess of revenues over expenditures - GAAP basis			<u>\$ (6,129)</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - LODGER'S TAX FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Lodger's tax	\$ 1,500	\$ 1,500	\$ 1,872	\$ 372
Total revenues	1,500	1,500	1,872	372
<b>EXPENDITURES:</b>				
Current:				
Health and welfare	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	1,500	1,500	1,872	372
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	389	389	389	-
Total other financing sources (uses)	389	389	389	-
Net changes in fund balance Non-GAAP basis	1,889	1,889	2,261	372
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ 1,889	\$ 1,889	\$ 2,261	\$ 372
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ 2,261	
Revenue accruals		-		
Expenditure accruals		-	-	
Excess of revenues over expenditures - GAAP basis			\$ 2,261	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - RECYCLABLE MONIES FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Other income	\$ -	\$ -	\$ 4,741	\$ 4,741
Total revenues	-	-	4,741	4,741
<b>EXPENDITURES:</b>				
Current:				
Health and welfare	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	4,741	4,741
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	40,205	40,205	40,205	-
Total other financing sources (uses)	40,205	40,205	40,205	-
Net changes in fund balance Non-GAAP basis	40,205	40,205	44,946	4,741
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ 40,205	\$ 40,205	\$ 44,946	\$ 4,741
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ 44,946	
Revenue accruals		-		
Expenditure accruals		-		
Excess of revenues over expenditures - GAAP basis			\$ 44,946	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 NON-MAJOR SPECIAL REVENUE FUND - DETENTION CENTER  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Commissary	\$ 35,000	\$ 35,000	\$ 37,452	\$ 2,452
Total revenues	35,000	35,000	37,452	2,452
EXPENDITURES:				
Current:				
Public safety	1,902,999	1,902,999	1,027,318	875,681
Total expenditures	1,902,999	1,902,999	1,027,318	875,681
Excess (deficiency) of revenues over expenditures	(1,867,999)	(1,867,999)	(989,866)	878,133
OTHER FINANCING SOURCES (USES)				
Transfers out	1,867,999	1,867,999	1,000,000	(867,999)
Total other financing sources (uses)	1,867,999	1,867,999	1,000,000	(867,999)
Net changes in fund balance Non-GAAP basis	-	-	10,134	10,134
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 10,134	\$ 10,134
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ 10,134	
Revenue accruals		-		
Expenditure accruals		(10,086)	(10,086)	
Excess of revenues over expenditures - GAAP basis			\$ 48	

See independent auditors' report and accompanying notes to financial statements.

**CAPITAL PROJECTS FUNDS**

STATE OF NEW MEXICO, COUNTY OF HIDALGO

COMBINING BALANCE SHEET  
 CAPITAL PROJECTS FUNDS  
 JUNE 30, 2012

	<u>Hospital Acquisition</u>	<u>FEMA Building</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 250,965	\$ -	\$ 250,965
Total assets	<u>\$ 250,965</u>	<u>\$ -</u>	<u>\$ 250,965</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	-	-	-
Fund balance			
Restricted for capital projects	<u>250,965</u>	<u>-</u>	<u>250,965</u>
Total liabilities and fund balance	<u>\$ 250,965</u>	<u>\$ -</u>	<u>\$ 250,965</u>

See independent auditors' report and accompanying notes to financial statements.



STATE OF NEW MEXICO, COUNTY OF HIDALGO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

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	<u>Hospital Acquisition</u>	<u>Detention Building</u>	<u>FEMA Building</u>	<u>Total</u>
<b>REVENUES</b>				
Other income	\$ 17,542	\$ -	\$ -	\$ 17,542
Total revenues	17,542	-	-	17,542
<b>EXPENDITURES</b>				
Current:				
Health and welfare	<u>13,800</u>	<u>-</u>	<u>278</u>	<u>14,078</u>
Total expenditures	<u>13,800</u>	<u>-</u>	<u>278</u>	<u>14,078</u>
Net change in fund balance	3,742	-	(278)	3,464
Fund balance, beginning of year	<u>247,223</u>	<u>-</u>	<u>278</u>	<u>247,501</u>
Fund balance, end of year	<u>\$ 250,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,965</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 CAPITAL PROJECTS FUND - HOSPITAL ACQUISITION FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Other income	\$ 17,542	\$ 17,542	\$ 17,542	\$ -
Total revenues	17,542	17,542	17,542	-
EXPENDITURES:				
Current:				
Health and welfare	13,800	13,800	13,800	-
Total expenditures	13,800	13,800	13,800	-
Net changes in fund balance Non-GAAP basis	3,742	3,742	3,742	-
Fund balance - beginning of year	247,223	247,223	247,223	-
Fund balance - end of year	\$ 250,965	\$ 250,965	\$ 250,965	\$ -
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ 3,742	
Revenue accruals		-		
Expenditure accruals		-		
Excess of revenues over expenditures - GAAP basis			\$ 3,742	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 CAPITAL PROJECTS FUND - FEMA DISASTER FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Gross receipts taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total revenues	-	-	-	-
EXPENDITURES:				
Operating expenditures	<u>278</u>	<u>278</u>	<u>278</u>	<u>-</u>
Total expenditures	<u>278</u>	<u>278</u>	<u>278</u>	<u>-</u>
Net changes in fund balance Non-GAAP basis	(278)	(278)	(278)	-
Fund balance - beginning of year	<u>278</u>	<u>278</u>	<u>278</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ (278)	
Revenue accruals		-		
Expenditure accruals		<u>-</u>	<u>-</u>	
Excess of revenues over expenditures - GAAP basis			<u>\$ (278)</u>	

See independent auditors' report and accompanying notes to financial statements.

**DEBT SERVICE FUNDS**

STATE OF NEW MEXICO, COUNTY OF HIDALGO

COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS  
JUNE 30, 2012

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	<u>Hospital Debt Service</u>	<u>Detention Center Debt Service</u>	<u>Playas Fire Debt Service</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance				
Reserved for debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS  
DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Hospital Debt Service</u>	<u>Detention Center Debt Service</u>	<u>Playas Fire Debt Service</u>	<u>Total</u>
<b>REVENUES</b>				
Intergovernmental income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt service interest	4,066	44,138	1,176	49,380
Debt service principal	<u>135,527</u>	<u>54,002</u>	<u>19,304</u>	<u>208,833</u>
Total expenditures	<u>139,593</u>	<u>98,140</u>	<u>20,480</u>	<u>258,213</u>
Excess (deficiency) of revenues over (under) expenditures	(139,593)	(98,140)	(20,480)	(258,213)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	<u>139,593</u>	<u>98,140</u>	<u>20,480</u>	<u>258,213</u>
Total other financing source (uses)	<u>139,593</u>	<u>98,140</u>	<u>20,480</u>	<u>258,213</u>
Net change in fund balance	-	-	-	\$ -
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 DEBT SERVICE FUNDS - HOSPITAL DEBT SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	Original	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Debt service interest	4,066	4,066	4,066	-
Debt service principal	135,527	135,527	135,527	-
Total expenditures	139,593	139,593	139,593	-
Excess (deficiency) of revenues over expenditures	(139,593)	(139,593)	(139,593)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	139,593	139,593	139,593	-
Total other financing sources (uses)	139,593	139,593	139,593	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ -	
Revenue accruals		-		
Expenditure accruals		-		
Excess of revenues over expenditures - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 DEBT SERVICE FUNDS - DETENTION CENTER DEBT SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Intergovernmental income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Debt service interest	44,138	44,138	44,138	-
Debt service principal	54,002	54,002	54,002	-
Total expenditures	98,140	98,140	98,140	-
Excess (deficiency) of revenues over expenditures	(98,140)	(98,140)	(98,140)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	98,140	98,140	98,140	-
Total other financing sources (uses)	98,140	98,140	98,140	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ -	
Revenue accruals		-		
Expenditure accruals		-		
Excess of revenues over expenditures - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements.



STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 DEBT SERVICE FUNDS - PLAYAS FIRE DEBT SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Intergovernmental income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Debt service interest	1,176	1,176	1,176	-
Debt service principal	<u>19,304</u>	<u>19,304</u>	<u>19,304</u>	-
Total expenditures	<u>20,480</u>	<u>20,480</u>	<u>20,480</u>	-
Excess (deficiency) of revenues over expenditures	<u>(20,480)</u>	<u>(20,480)</u>	<u>(20,480)</u>	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>20,480</u>	<u>20,480</u>	<u>20,480</u>	-
Total other financing sources (uses)	<u>20,480</u>	<u>20,480</u>	<u>20,480</u>	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ -	
Revenue accruals		-		
Expenditure accruals		<u>-</u>		
Excess of revenues over expenditures - GAAP basis			<u>\$ -</u>	

See independent auditors' report and accompanying notes to financial statements.

**PROPRIETARY FUND BUDGET**

STATE OF NEW MEXICO, COUNTY OF HIDALGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL ON BUDGETARY BASIS  
 PROPRIETARY FUND - AMBULANCE FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Charges for services	\$ 283,000	\$ 283,000	\$ 258,069	\$ (24,931)
Miscellaneous	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Total revenues	333,000	333,000	258,069	(74,931)
<b>EXPENDITURES:</b>				
Operating expenditures	<u>467,297</u>	<u>467,297</u>	<u>450,307</u>	<u>16,990</u>
Total expenditures	<u>467,297</u>	<u>467,297</u>	<u>450,307</u>	<u>16,990</u>
Excess (deficiency) of revenues over expenditures	<u>(134,297)</u>	<u>(134,297)</u>	<u>(192,238)</u>	<u>(57,941)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>141,000</u>	<u>141,000</u>	<u>141,000</u>	<u>-</u>
Total other financing sources (uses)	<u>141,000</u>	<u>141,000</u>	<u>141,000</u>	<u>-</u>
Net changes in fund balance Non-GAAP basis	6,703	6,703	(51,238)	(57,941)
Fund balance - beginning	<u>477,248</u>	<u>477,248</u>	<u>477,248</u>	<u>-</u>
Fund balance - ending	<u>\$ 483,951</u>	<u>\$ 483,951</u>	<u>\$ 426,010</u>	<u>\$ (57,941)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net change in fund balance - budgetary basis			\$ (51,238)	
Revenue accruals		14,171		
Expenditure accruals		<u>(6,017)</u>	<u>8,154</u>	
Excess of revenues over expenditures - GAAP basis			<u>\$ (43,084)</u>	

See independent auditors' report and accompanying notes to financial statements.

**AGENCY FUNDS**

**STATE OF NEW MEXICO, COUNTY OF HIDALGO**

**FIDUCIARY - AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

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**Fiduciary - Agency Funds**

These funds are used to account for monies held by the County in a custodial capacity.

**Taxes Collected for Others** - As the taxing and collecting authority for proprietary taxes, the County maintains this fund to account for taxes collected on behalf of other governments until their distribution.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -  
AGENCY FUNDS  
JUNE 30, 2012

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	<u>Balance</u> <u>6/30/11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/12</u>
Taxes collected for others				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 51,804	\$ 1,495,831	\$ 1,496,016	\$ 51,619
Total assets	\$ 51,804	\$ 1,495,831	\$ 1,496,016	\$ 51,619
<b>LIABILITIES</b>				
Taxes paid in advance	\$ 51,804	\$ 1,495,831	\$ 1,496,016	\$ 51,619
Total liabilities	\$ 51,804	\$ 1,495,831	\$ 1,496,016	\$ 51,619

See independent auditors' report and accompanying notes to financial statements.

**SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO, COUNTY OF HIDALGO

SCHEDULE OF DEPOSITORIES  
JUNE 30, 2012

	Type	Amount Per Bank	Plus DIT	Outstanding Checks	Balance Per Books
Western Bank					
Operating	CK	\$ 3,883,101	\$ -	\$ 960,997	\$ 2,922,104
Money market	MM	2,565,927	-	55,427	2,510,500
Payroll Clearing	CK	683	-	-	683
Tax suspense	CK	2,494	-	-	2,494
Payroll tax	CK	19,733	-	-	19,733
Sheriff's Bond	CK	2,490	-	-	2,490
Sheriff's Investigation	CK	25,581	-	-	25,581
Warrant Account	CK	322,303	-	28	322,275
Time Deposit	CD	800,000	-	-	800,000
Overnight	MM	102,294	-	1,917	100,377
Western Bank Total		<u>7,724,606</u>	<u>-</u>	<u>1,018,369</u>	<u>6,706,237</u>
Sub-total		7,724,606	-	1,018,369	6,706,237
NM State Investment Pool		101,769	-	1,769	100,000
Petty Cash		<u>300</u>	<u>-</u>	<u>-</u>	<u>300</u>
Total		<u>\$ 7,826,675</u>	<u>\$ -</u>	<u>\$ 1,020,138</u>	<u>\$ 6,806,537</u>
Fiduciary Funds		<u>\$ 51,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,619</u>

Reconciliation to financial statements:

Cash and cash equivalents	\$ 5,409,667
Reserve funds	1,345,249
Agency funds	51,619
Miscellaneous	<u>2</u>

Total Cash and Investments, Primary Government \$ 6,806,537

Type:

CK = Checking

MM = Money Market

CD = Certificate of Deposit

	<u>Western</u>
Amount held in bank June 30, 2012	7,724,606
Less FDIC Insurance	<u>(250,000)</u>
Uninsured Public Funds	7,474,606
50% Collateral Requirement (Section 6-10-17 NMSA-1978)	3,737,303
Pledged Securities	<u>4,424,824</u>
Over (Under) Collateralized	<u>\$ 687,521</u>



See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY FOR PUBLIC FUNDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

Description of Pledged Collateral	Amount	Name and Location of Safekeeper
<b>New Mexico issued securities (at face value)</b>		
Bernalillo NM School CUSIP#085279MD6, Maturing 08/1/12	\$ 200,000	Federal Home Loan Bank of Dallas
Carrizozo NM CUSIP#144627CZ7, Maturing 08/1/15	100,000	Federal Home Loan Bank of Dallas
Dulce NM School CUSIP#264430FZ7, Maturing 7/1/15	300,000	Federal Home Loan Bank of Dallas
Dulce NM School CUSIP#264430HJ1, Maturing 3/1/18	400,000	Federal Home Loan Bank of Dallas
Dulce NM School CUSIP#264430JZ3, Maturing 9/1/16	70,000	Federal Home Loan Bank of Dallas
Dulce NM School CUSIP#264430KH1 Maturing 9/1/16	280,000	Federal Home Loan Bank of Dallas
Espanola NM Pub School CUSIP#296628BQ2, Maturing 7/1/17	300,000	Federal Home Loan Bank of Dallas
Gadsden NM School CUSIP#362550KQ7	400,000	Federal Home Loan Bank of Dallas
Grant Co NM GO CUSIP#387766BA5, Maturing 09/01/13	250,000	Federal Home Loan Bank of Dallas
Lovington NM Mun CUSIP#547473BF4, Maturing 7/1/13	400,000	Federal Home Loan Bank of Dallas
Lovington NM Mun CUSIP#547473CZ9, Maturing 9/1/21	500,000	Federal Home Loan Bank of Dallas
Santa Fe Cnty NM CUSIP#801889LU8, Maturing 7/1/22	250,000	Federal Home Loan Bank of Dallas
Silver City NM Cons CUSIP#827513EW8, Maturing 9/1/16	370,000	Federal Home Loan Bank of Dallas
Texico NM Mun School CUSIP#883005CA6, Maturing 8/1/14	50,000	Federal Home Loan Bank of Dallas
Torrance County CUSIP#891400JD6, Maturing 7/1/14	310,000	Federal Home Loan Bank of Dallas
Vaughn NM School CUSIP#922382BP0, Maturing 7/1/12	<u>120,000</u>	Federal Home Loan Bank of Dallas
Total New Mexico issued securities	\$ 4,300,000	Federal Home Loan Bank of Dallas
<b>Federal securities (at market value)</b>		
FNMA REMIC CUSIP#312906XG0, Maturing 8/15/21	\$ 31,724	Federal Home Loan Bank of Dallas
FNMA CUSIP#31391HGMO, Maturing 9/25/32	<u>93,100</u>	Federal Home Loan Bank of Dallas
Total federal securities	<u>\$ 124,824</u>	Federal Home Loan Bank of Dallas
Total pledged securities	<u>\$ 4,424,824</u>	Federal Home Loan Bank of Dallas

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

**TAX ROLL RECONCILIATION OF CHANGES IN THE COUNTY TREASURER'S PROPERTY TAXES RECEIVABLE FOR THE YEAR ENDED JUNE 30, 2012**

Property taxes receivable, beginning	\$ 491,881
Changes to tax roll:	
Net taxes charged to treasurer for fiscal year	3,195,526
Adjustments:	
Increases in taxes receivables	302,616
Charge off of taxes receivables	<u>(245,117)</u>
Total receivables prior to collections	3,744,906
Collections for fiscal year ended June 30, 2012	<u>(3,199,833)</u>
Property taxes receivable, ending	<u>\$ 545,073</u>

Property taxes receivable by years:

2002	\$ 1,320
2003	1,823
2004	2,086
2005	2,604
2006	32,115
2007	56,995
2008	45,347
2009	74,108
2010	113,124
2011	<u>215,551</u>
	<u>\$ 545,073</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

COUNTY TREASURER'S PROPERTY TAX SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012

	Taxes Receivable at 7/1/11	Net Taxes Charged to Treasurer	Collections	Taxes Receivable at 6/30/12	Distributions
Municipalities	\$ 31,707	\$ 93,443	\$ 98,273	\$ 26,877	\$ 98,273
Hidalgo County	246,606	1,762,930	1,717,450	292,086	1,717,450
State of New Mexico	22,973	226,767	229,741	19,999	229,741
Schools	190,595	1,169,885	1,154,369	206,111	1,154,369
	<u>\$ 491,881</u>	<u>\$ 3,253,025</u>	<u>\$ 3,199,833</u>	<u>\$ 545,073</u>	<u>\$ 3,199,833</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

COUNTY TREASURER'S PROPERTY TAX SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012

Agency	Property Taxes Levied	Collected in Current Year 6/30/12	Collected To Date	Distributed in Current Year 6/30/12	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
<b>Municipalities</b>								
City of Lordsburg	\$ 94,364	\$ -	\$ 93,400	\$ -	\$ 93,400	\$ -	\$ -	\$ 964
City of Lordsburg	79,447	-	78,628	-	78,628	-	-	819
City of Lordsburg	79,394	12	79,547	12	79,547	-	-	(153)
City of Lordsburg	78,006	27	77,715	27	77,715	-	-	291
City of Lordsburg	79,664	52	78,810	52	78,810	-	-	854
City of Lordsburg	86,379	264	85,161	264	85,161	-	-	1,218
City of Lordsburg	99,575	1,912	98,019	1,912	98,019	-	-	1,556
City of Lordsburg	98,809	5,449	94,544	5,449	94,544	-	-	4,265
City of Lordsburg	89,935	6,468	82,773	6,468	82,773	-	-	7,162
City of Lordsburg	93,493	82,742	82,742	82,742	82,742	-	-	10,751
<b>Total City of Lordsburg</b>	<b>\$ 879,066</b>	<b>\$ 96,926</b>	<b>\$ 851,339</b>	<b>\$ 96,926</b>	<b>\$ 851,339</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,727</b>
Village of Virden	\$ 1,118	\$ -	\$ 1,110	\$ -	\$ 1,110	\$ -	\$ -	\$ 8
Village of Virden	1,173	-	1,164	-	1,164	-	-	9
Village of Virden	1,233	-	1,223	-	1,223	-	-	10
Village of Virden	1,273	-	1,261	-	1,261	-	-	12
Village of Virden	1,428	-	1,413	-	1,413	-	-	15
Village of Virden	1,419	-	1,404	-	1,404	-	-	15
Village of Virden	1,408	-	1,549	-	1,549	-	-	(141)
Village of Virden	590	-	1,572	-	1,572	-	-	(982)
Village of Virden	1,459	22	1,432	22	1,432	-	-	27
Village of Virden	1,502	1,325	1,325	1,325	1,325	-	-	177
<b>Total Village of Virden</b>	<b>\$ 12,603</b>	<b>\$ 1,347</b>	<b>\$ 13,453</b>	<b>\$ 1,347</b>	<b>\$ 13,453</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (850)</b>
<b>Total Municipalities</b>	<b>\$ 891,669</b>	<b>\$ 98,273</b>	<b>\$ 864,792</b>	<b>\$ 98,273</b>	<b>\$ 864,792</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,877</b>

See independent auditors' report and accompanying notes to financial statements.

**STATE OF NEW MEXICO, COUNTY OF HIDALGO**  
**COUNTY TREASURER'S PROPERTY TAX SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Agency	Property Taxes Levied	Collected in Current Year 6/30/12	Collected To Date	Distributed in Current Year 6/30/12	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
<b>Hidalgo County</b>								
General ad valorem 2002	\$ 1,087,809	\$ 119	\$ 1,081,501	\$ 119	\$ 1,081,501	\$ -	\$ -	\$ 6,308
General ad valorem 2003	1,159,821	117	1,147,690	117	1,147,690	-	-	12,131
General ad valorem 2004	1,417,653	161	1,434,111	161	1,434,111	-	-	(16,458)
General ad valorem 2005	1,385,870	215	1,393,531	215	1,393,531	-	-	(7,661)
General ad valorem 2006	1,472,495	455	1,447,970	455	1,447,970	-	-	24,525
General ad valorem 2007	1,586,512	1,527	1,550,307	1,527	1,550,307	-	-	36,205
General ad valorem 2008	1,674,830	10,951	1,642,258	10,951	1,642,258	-	-	32,572
General ad valorem 2009	1,604,065	35,669	1,593,585	35,669	1,593,585	-	-	10,480
General ad valorem 2010	1,601,029	64,016	1,553,442	64,016	1,551,596	-	-	49,433
General ad valorem 2011	1,699,690	1,571,866	1,571,866	1,571,866	1,571,866	302,616	-	414,218
<b>Total General ad valorem</b>	<b>\$ 14,689,774</b>	<b>\$ 1,685,096</b>	<b>\$ 14,416,261</b>	<b>\$ 1,685,096</b>	<b>\$ 14,414,415</b>	<b>\$ 302,616</b>	<b>\$ -</b>	<b>\$ 561,753</b>
Non-rendition fees 2002	\$ 490	-	\$ 504	-	\$ 504	\$ -	\$ -	\$ (14)
Non-rendition fees 2003	468	-	463	-	463	-	-	5
Non-rendition fees 2004	55	-	67	-	67	-	-	(12)
Non-rendition fees 2005	74	-	216	-	216	-	-	(142)
Non-rendition fees 2006	67	-	67	-	67	-	-	-
Non-rendition fees 2007	-	-	-	-	-	-	-	-
Non-rendition fees 2008	273	-	516	-	516	-	-	(243)
Non-rendition fees 2009	575	29	180	29	180	-	-	395
Non-rendition fees 2010	64	241	305	241	305	-	-	(241)
Non-rendition fees 2011	118	135	135	135	135	-	-	(17)
<b>Total Non-rendition fees</b>	<b>\$ 2,184</b>	<b>\$ 405</b>	<b>\$ 2,453</b>	<b>\$ 405</b>	<b>\$ 2,453</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (269)</b>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

COUNTY TREASURER'S PROPERTY TAX SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012

Agency	Property Taxes Levied	Collected in Current Year 6/30/12	Collected To Date	Distributed in Current Year 6/30/12	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
Re-appraisal program 2002	\$ -	2	\$ 21,485	\$ 2	\$ 21,485	\$ -	\$ -	(21,485)
Re-appraisal program 2003	-	2	21,840	2	21,840	-	-	(21,840)
Re-appraisal program 2004	-	3	25,139	3	25,139	-	-	(25,139)
Re-appraisal program 2005	-	4	26,100	4	26,100	-	-	(26,100)
Re-appraisal program 2006	-	10	27,122	10	27,122	-	-	(27,122)
Re-appraisal program 2007	-	32	29,013	32	29,013	-	-	(29,013)
Re-appraisal program 2008	-	215	30,844	215	30,844	-	-	(30,844)
Re-appraisal program 2009	-	708	29,703	708	29,703	-	-	(29,703)
Re-appraisal program 2010	-	1,258	29,705	1,258	29,705	-	-	(29,705)
Re-appraisal program 2011	-	29,715	29,715	29,715	29,715	-	-	(28,447)
Total Re-appraisal program	\$ -	\$ 31,949	\$ 270,666	\$ 31,949	\$ 270,666	\$ -	\$ -	(269,398)
Total Hidalgo County	\$ 14,691,958	\$ 1,717,450	\$ 14,689,380	\$ 1,717,450	\$ 14,687,534	\$ 302,616	\$ -	\$ 292,086

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

COUNTY TREASURER'S PROPERTY TAX SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012

Agency	Property Taxes Levied	Collected in Current Year 6/30/12	Collected To Date	Distributed in Current Year 6/30/12	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
State of New Mexico								
Cattle	\$ 28,332	\$ -	\$ 27,850	\$ -	\$ 27,850	\$ -	\$ -	\$ 482
Cattle	24,707	-	24,435	-	24,435	-	-	272
Cattle	16,373	-	16,068	-	16,068	-	-	305
Cattle	21,151	-	20,720	-	20,720	-	-	431
Cattle	24,727	41	24,357	41	24,357	-	-	370
Cattle	31,709	67	29,987	67	29,987	-	-	1,722
Cattle	32,973	59	34,267	59	34,267	-	-	(1,294)
Cattle	23,188	202	32,287	202	32,287	-	-	(9,099)
Cattle	23,425	283	23,101	283	23,101	-	-	324
Cattle	27,168	25,564	25,564	25,564	25,564	-	-	1,604
Total Cattle	\$ 253,753	\$ 26,216	\$ 258,636	\$ 26,216	\$ 258,636	\$ -	\$ -	\$ (4,883)
Equines								
Equines	\$ 1,358	\$ -	\$ 1,348	\$ -	\$ 1,348	\$ -	\$ -	\$ 10
Equines	1,214	-	1,188	-	1,188	-	-	26
Equines	1,704	-	1,664	-	1,664	-	-	40
Equines	1,669	-	1,600	-	1,600	-	-	69
Equines	1,981	8	1,934	8	1,934	-	-	47
Equines	1,635	5	1,598	5	1,598	-	-	37
Equines	-	-	-	-	-	-	-	-
Equines	871	36	841	36	841	-	-	30
Equines	927	31	834	31	834	-	-	93
Equines	909	793	793	793	793	-	-	116
Total Equines	\$ 12,268	\$ 873	\$ 11,800	\$ 873	\$ 11,800	\$ -	\$ -	\$ 468

See independent auditors' report and accompanying notes to financial statements.



STATE OF NEW MEXICO, COUNTY OF HIDALGO

COUNTY TREASURER'S PROPERTY TAX SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012

Agency	Property Taxes Levied	Collected in Current Year 6/30/12	Collected To Date	Distributed in Current Year 6/30/12	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
Bison	\$ 222	\$ -	\$ 220	\$ -	\$ 220	\$ -	\$ -	\$ 2
Bison	150	-	149	-	149	-	-	1
Bison	140	-	-	-	-	-	-	140
Bison	148	-	-	-	-	-	-	148
Bison	-	-	-	-	-	-	-	-
Bison	-	-	-	-	-	-	-	-
Bison	-	-	-	-	-	-	-	-
Bison	263	-	-	-	-	-	-	263
Bison	242	-	-	-	-	-	-	242
Bison	-	-	-	-	-	-	-	-
Total Bison	\$ 1,165	\$ -	\$ 369	\$ -	\$ 369	\$ -	\$ -	\$ 796
Sheep	\$ 18	\$ -	\$ 18	\$ -	\$ 18	\$ -	\$ -	\$ -
Sheep	15	-	15	-	15	-	-	-
Sheep	17	-	16	-	16	-	-	1
Sheep	15	-	15	-	15	-	-	-
Sheep	18	-	18	-	18	-	-	-
Sheep	12	-	12	-	12	-	-	-
Sheep	10	-	10	-	10	-	-	-
Sheep	10	-	10	-	10	-	-	-
Sheep	19	-	11	-	11	-	-	8
Sheep	44	16	16	16	16	-	-	28
Total Sheep	\$ 178	\$ 16	\$ 141	\$ 16	\$ 141	\$ -	\$ -	\$ 37

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

COUNTY TREASURER'S PROPERTY TAX SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012

Agency	Property Taxes Levied	Collected in Current Year 6/30/12	Collected To Date	Distributed in Current Year 6/30/12	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
Dairy	2002 \$ 19	\$ -	13	\$ -	13	\$ -	\$ -	\$ 6
Dairy	2003 9	-	9	-	9	-	-	-
Dairy	2004 5	-	5	-	5	-	-	-
Dairy	2005 2	-	2	-	2	-	-	-
Dairy	2006 5	-	5	-	5	-	-	-
Dairy	2007 2	-	2	-	2	-	-	-
Dairy	2008 2	-	2	-	2	-	-	-
Dairy	2009 -	-	-	-	-	-	-	-
Dairy	2010 9	-	9	-	9	-	-	-
Dairy	2011 9	9	9	9	9	-	-	-
Total Dairy	\$ 62	9	56	9	56	\$ -	\$ -	\$ 6
Goats (2004 only)	\$ 9	-	8	-	8	\$ -	\$ -	\$ 1
Goats (2005 2nd year)	13	-	13	-	13	-	-	-
Goats (2006 3rd year)	15	-	15	-	15	-	-	-
Goats (2007 4th year)	28	-	28	-	28	-	-	-
Goats (2008 5th year)	23	-	23	-	23	-	-	-
Goats (2009 6th year)	11	-	10	-	10	-	-	1
Goats (2010 7th year)	21	-	20	-	20	-	-	1
Goats (2011 8th year)	22	13	13	13	13	-	-	9
Swine/Llama/Alpacca	9	-	9	-	9	-	-	-
Total Goats	\$ 151	13	139	13	139	\$ -	\$ -	\$ 12

See independent auditors' report and accompanying notes to financial statements.

**STATE OF NEW MEXICO, COUNTY OF HIDALGO**  
**COUNTY TREASURER'S PROPERTY TAX SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Agency	Property Taxes Levied	Collected in Current Year 6/30/12	Collected To Date	Distributed in Current Year 6/30/12	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
Cost to State	\$ -	\$ -	\$ 350	\$ -	\$ 350	\$ -	\$ -	\$ (350)
Cost to State	-	-	475	-	475	-	-	(475)
Cost to State	-	-	425	-	425	-	-	(425)
Cost to State	-	-	430	-	430	-	-	(430)
Cost to State	-	-	1,155	-	1,155	-	-	(1,155)
Cost to State	-	1,125	2,875	1,125	2,875	-	-	(2,875)
Cost to State	-	3,250	3,250	3,250	3,250	-	-	(3,250)
Cost to State	-	-	-	-	-	-	-	-
Cost to State	-	-	-	-	-	-	-	-
Cost to State	-	-	-	-	-	-	-	-
Total Cost to State	\$ -	\$ 4,375	\$ 8,960	\$ 4,375	\$ 8,960	\$ -	\$ -	\$ (8,960)
State Operational	\$ 105,173	\$ 11	\$ 104,553	\$ 11	\$ 104,553	\$ -	\$ -	\$ 620
State Operational	151,488	15	149,904	15	149,904	-	-	1,584
State Operational	124,229	14	125,644	14	125,644	-	-	(1,415)
State Operational	144,607	22	145,402	22	145,402	-	-	(795)
State Operational	160,380	50	157,713	50	157,713	-	-	2,667
State Operational	164,186	158	160,446	158	160,446	-	-	3,740
State Operational	176,669	1,155	173,233	1,155	173,233	-	-	3,436
State Operational	155,669	3,462	154,652	3,462	154,652	-	-	1,017
State Operational	214,704	8,593	208,166	8,593	208,166	-	-	6,538
State Operational	199,943	184,759	184,759	184,759	184,759	-	-	15,131
Total State Operational	\$ 1,597,048	\$ 198,239	\$ 1,564,472	\$ 198,239	\$ 1,564,472	\$ -	\$ -	\$ 32,523
Total State of New Mexico	\$ 1,864,625	\$ 229,741	\$ 1,844,573	\$ 229,741	\$ 1,844,573	\$ -	\$ -	\$ 19,999

See independent auditors' report and accompanying notes to financial statements.

**STATE OF NEW MEXICO, COUNTY OF HIDALGO**  
**COUNTY TREASURER'S PROPERTY TAX SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Agency (SD #1 & SD #6)	Property Taxes Levied	Collected in Current Year 6/30/12	Collected To Date	Distributed in Current Year 6/30/12	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
Operational	\$ 45,751	\$ 5	\$ 45,486	\$ 5	\$ 45,486	\$ -	\$ -	\$ 265
Operational	48,789	5	48,279	5	48,279	-	-	510
Operational	59,661	7	60,357	7	60,357	-	-	(696)
Operational	58,176	9	58,502	9	58,502	-	-	(326)
Operational	61,710	19	60,677	19	60,677	-	-	1,033
Operational	66,064	64	64,549	64	64,549	-	-	1,515
Operational	70,266	458	68,897	458	68,897	-	-	1,369
Operational	67,391	1,501	66,957	1,501	66,957	-	-	434
Operational	67,296	2,695	65,302	2,695	65,302	-	-	1,994
Operational	70,884	65,556	65,556	65,556	65,556	-	-	4,689
Total Operational	\$ 615,988	\$ 70,319	\$ 604,562	\$ 70,319	\$ 604,562	\$ -	\$ -	\$ 10,787
Debt Service	\$ 588,737	\$ 90	\$ 586,040	\$ 90	\$ 586,040	\$ -	\$ -	\$ 2,697
Debt Service	519,249	72	513,718	72	513,718	-	-	5,331
Debt Service	516,890	7	525,825	7	525,825	-	-	(8,935)
Debt Service	642,851	127	649,516	127	649,516	-	-	(6,665)
Debt Service	680,373	264	667,737	264	667,737	-	-	12,636
Debt Service	736,109	833	717,776	833	717,776	-	-	18,333
Debt Service	776,211	4,934	758,089	4,934	758,089	-	-	18,122
Debt Service	736,299	17,786	727,069	17,786	727,069	-	-	9,230
Debt Service	766,908	31,653	743,434	31,653	743,434	-	-	23,474
Debt Service	802,860	742,182	742,182	742,182	742,182	-	-	60,678
Total Debt Service	\$ 6,766,487	\$ 797,948	\$ 6,631,386	\$ 797,948	\$ 6,631,386	\$ -	\$ -	\$ 135,101

See independent auditors' report and accompanying notes to financial statements.

**STATE OF NEW MEXICO, COUNTY OF HIDALGO**  
**COUNTY TREASURER'S PROPERTY TAX SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2012.**

Agency	Property Taxes Levied	Collected in Current Year 6/30/12	Collected To Date	Distributed in Current Year 6/30/12	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
Capital Imp.	\$ 186,587	\$ 20	\$ 185,491	\$ 20	\$ 185,491	\$ -	\$ -	\$ 1,096
Capital Imp.	199,109	20	197,027	20	197,027	-	-	2,082
Capital Imp.	241,567	27	244,320	27	244,320	-	-	(2,753)
Capital Imp.	234,352	36	235,640	36	235,640	-	-	(1,288)
Capital Imp.	248,522	77	244,383	77	244,383	-	-	4,139
Capital Imp.	267,155	258	244,306	258	244,306	-	-	22,849
Capital Imp.	282,671	1,848	277,173	1,848	277,173	-	-	5,498
Capital Imp.	270,728	6,020	268,959	6,020	268,959	-	-	1,769
Capital Imp.	270,292	10,804	262,278	10,804	262,278	-	-	8,014
Capital Imp.	288,685	266,992	266,992	266,992	266,992	-	-	18,817
Total Capital Imp.	\$ 2,489,668	\$ 286,102	\$ 2,426,569	\$ 285,802	\$ 2,426,269	\$ -	\$ -	\$ 60,223
Total Schools	\$ 9,872,143	\$ 1,154,369	\$ 9,662,517	\$ 1,154,069	\$ 9,662,217	\$ -	\$ -	\$ 206,111
Total	\$ 27,320,395	\$ 3,199,833	\$ 27,061,262	\$ 3,199,533	\$ 27,059,116	\$ 302,616	\$ -	\$ 545,073

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

JOINT POWERS AGREEMENTS  
JUNE 30, 2012

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**Animal Control Agreement**

Participants	County of Hidalgo and the City of Lordsburg
Responsible Party	City of Lordsburg
Description	City of Lordsburg agrees to provide animal shelter services to the County of Hidalgo
Period	July 1, 2011- June 30, 2012
Project Costs	\$1,500 per year and anesthesia
County Contribution	\$1,500 per year and anesthesia
Audit responsibility	City of Lordsburg

**Lordsburg Municipal Schools**

Participants	County of Hidalgo, the City of Lordsburg, and Lordsburg Municipal Schools
Responsible Party	County of Hidalgo
Description	To construct a vocational education facility combining the resources and access to certain resources of the three entities for the best interest of the community.
Period	May 26, 2006 to completion
Project Costs	\$946,542
County Contribution	\$946,542
Audit responsibility	County of Hidalgo

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

JOINT POWERS AGREEMENTS  
JUNE 30, 2012

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**Inmate Housing/Dispatchers - City of Lordsburg**

Participants	County of Hidalgo and the City of Lordsburg
Responsible Party	County of Hidalgo
Description	To provide housing for adult prisoners and law enforcement radio dispatch for the City of Lordsburg
Period	July 1, 2011- June 30, 2012
Project Costs	City of Lordsburg agrees to pay \$69,458 per year
County Contribution	Undeterminable
Audit responsibility	County of Hidalgo

**Inmate Housing/Dispatchers - County of Luna**

Participants	County of Hidalgo and the County of Luna
Responsible Party	County of Luna
Description	To provide housing for juvenile prisoners from the County of Hidalgo
Period	May 1, 2011 to June 30, 2012
Project Costs	\$51.63 per day per prisoner
County Contribution	Undeterminable
Audit responsibility	County of Luna

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO, COUNTY OF HIDALGO

JOINT POWERS AGREEMENTS  
JUNE 30, 2012

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**Emergency Disaster Plan - City of Lordsburg**

Participants	County of Hidalgo and the City of Lordsburg
Responsible Party	County of Hidalgo
Description	To independent contract to develop and implement a unified comprehensive emergency disaster plan to benefit both parties
Period	July 1, 2011 - June 30, 2012
Project Costs	\$20,000 to be paid jointly
County Contribution	\$10,000 due from the County
Audit responsibility	County of Hidalgo

See independent auditors' report and accompanying notes to financial statements.



STATE OF NEW MEXICO, COUNTY OF HIDALGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 JUNE 30, 2012

Federal Grantor Pass Through Grantor Program Title	CFDA	Program or Grant Number	Award Amount	Expenditures
US Department of Homeland Security, passed through New Mexico Department of Public Safety	97.067	#07-EPTALA-03-002	\$ 1,284,861	\$ 549,735
US Department of Homeland Security, passed through New Mexico Department of Public Safety	97.042	Safe Border - Emergency Management	\$ 124,100	\$ 110,171
Executive Office of the President - Office of National Drug Control Policy	95.001	HIDTA	\$ 83,049	\$ 33,739
US Department of Energy, passed through the NM Department of Energy, Minerals, and Natural Resources	81.128	ARRA - EMNRD No. 10-521-R1DOE0002- 0225	\$ 424,422	\$ 399,201
US Department of Housing and Urban Development, passed through NM Department of Finance and Administration	14.218	CDBG	<u>\$ 519,000</u>	<u>\$ 56,424</u>
			<u>\$ 2,435,432</u>	<u>\$ 1,149,270</u>

Note 1 - Basis of Presentation

The above Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Hidalgo and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

See independent auditors' report and accompanying notes to financial statements.

## COMPLIANCE SECTION

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

Hector H. Balderas  
New Mexico State Auditor  
and the Board of Commissioners  
County of Hidalgo  
 Lordsburg, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the County of Hidalgo as of and for the year ended June 30, 2012, and have issued our report thereon dated October 3, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the County of Hidalgo is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County of Hidalgo's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Commissioners, others within the entity, New Mexico Department of Finance and Administration, , the State Auditor, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

*White + Samaniego + Campbell, LP*

El Paso, Texas  
October 3, 2012



WHITE+  
SAMANIEGO+  
CAMPBELL, LLP

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Hector H. Balderas  
New Mexico State Auditor  
and the Board of Commissioners  
County of Hidalgo  
 Lordsburg, New Mexico

**Compliance**

We have audited the County of Hidalgo's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2012. The County of Hidalgo's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Hidalgo's management. Our responsibility is to express an opinion on the County of Hidalgo's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Hidalgo's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County of Hidalgo's compliance with those requirements.

In our opinion, the County of Hidalgo, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The results of our auditing procedures disclosed no instances of noncompliance with those requirements.

**Internal Control Over Compliance**

Management of the County of Hidalgo is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County of Hidalgo's internal control over compliance

with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Hidalgo's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

*White + Samaniego + Campbell, LLP*

El Paso, Texas  
October 3, 2012

STATE OF NEW MEXICO, COUNTY OF HIDALGO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 2012

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**Section 1 - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness (es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

*Federal Awards*

Internal control over major programs

- Material weakness (es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

Type of auditors' report issued on compliance with major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

Identification of Major Programs:

CFDA Number

Name of Federal Program or Cluster

97.067

US Department of Homeland Security, Homeland Security Grant Program

81.128

ARRA - US Department of Energy - Energy Efficiency and Conservation Block Grant Program (EECBG)

Dollar threshold used to distinguish between Type A and Type B programs

\$ 300,000

Auditee qualified as low-risk auditee

Yes  No

**STATE OF NEW MEXICO, COUNTY OF HIDALGO**

**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

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**Section II - Financial Statements Findings**

**PRIOR YEAR FINDINGS**

08-02	Late Audit Report	Resolved
10-01	Data Collection Form Package Not Timely Filed	Resolved
11-01	Bank Account for Sheriff's Department	Resolved

**Section III - CURRENT YEAR FINDINGS**

None



**STATE OF NEW MEXICO, COUNTY OF HIDALGO**

**EXIT CONFERENCE  
FOR THE YEAR ENDED JUNE 30, 2012**

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An exit conference was held on September 27, 2012 in a closed meeting with Roxie Samaniego, CPA of White + Samaniego + Campbell, LLP, with the following County officials:

Jose Salazar  
Richard Chaires  
Darr Shannon  
Tisha Green

County Manager  
County Commissioner  
County Commissioner  
Assistant County Manager

The financial statements presented in this report were compiled with the assistance of the auditors, White + Samaniego + Campbell, LLP. However, the contents of the financial statements remain the responsibility of management.