

**State of New Mexico
County of Hidalgo**

**Basic Financial Statements and
Supplementary Information
for the Year Ended June 30, 2014
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, 2014**

Elected Officials

Ed Kerr
Darr Shannon
Richard Chaires

Commissioner
Commissioner
Commissioner

Administrative Officials

Jose Salazar
Tisha Green
Priscilla Maxwell
Loretta Ward
Tommy Dimas
Clarence Rudiger
David Whipple
Tyler Massey
Lloyd Payne
Jody Hatch
Melissa Delagarza
Saturnino Madero

County Manager
Assistant County Manager
County Dispatch Supervisor
Interim Warden
County Transfer Station Supervisor
County Road Supervisor
County Fire Marshall/Ambulance Supervisor
County Treasurer
County Probate Judge
County Assessor
County Clerk
County Sheriff

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

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, 2014 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons for the nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2014, 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, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the managements' discussion and analysis on pages 5 through 15, 60 through 75, and 83 through 85 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.

Other Information

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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures for Federal Awards and other schedules required by Section 2.2.2 NMAC are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

White & Samaniego & Campbell, LLP

El Paso, Texas
November 25, 2014

STATE OF NEW MEXICO, COUNTY OF HIDALGO

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

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, 2014. 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 \$20,962,228 (net position). Of this amount, \$3,288,762 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$592,066 during the fiscal year. The majority of this is due to a decrease in grant revenue when compared to the year ended June 30, 2013.
- As of June 30, 2014, the County's governmental funds reported combined ending fund balances of \$6,943,932. Of this total, \$255,275 is restricted for capital projects.
- At the close of the current fiscal year, unassigned fund balance of the general fund was \$3,287,121.

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 position	Balance Sheet	Statement of net position	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures & changes in fund balances	Statement of revenues, expenses and changes in fund net position	Statement of changes in fiduciary net position
			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 position* presents information on all of the County of Hidalgo's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 49 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 53 through 59 of this report.

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County of Hidalgo, net position exceeded liabilities by \$20,962,228 at the close of the current fiscal year.

The largest portion of the County of Hidalgo's net position represent the County's investment of \$14,016,655 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 position (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 position of \$3,288,762 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 position, for the government as a whole as well as for the business-type activities.

Analysis of Changes in Net Position

During the current fiscal year, the County's net position in governmental and business-type activities decreased by \$592,066. These decreases are explained in the governmental activities discussion.

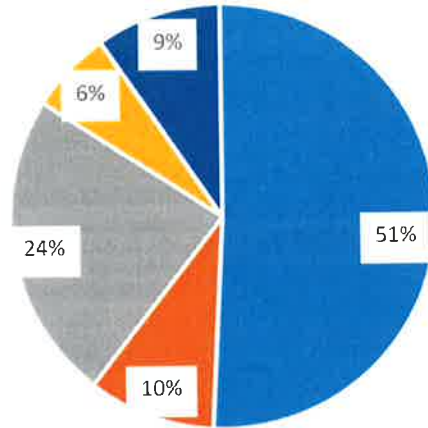
Governmental Activities

Governmental activities decreased the County of Hidalgo's net position by \$506,714. Grant revenue decreased \$514,540 from grant revenue in the prior year. Property taxes and gross receipts taxes contributed \$2,486,376 for covering the \$5,929,345 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 \$331,178.

Total revenues from governmental activities are summarized below. For fiscal year 2013-2014, Local and State taxes made up 46% of the total general government revenues compared to 46% of the revenues in the prior year.

Revenue by Source - General Government



■ Taxes ■ Charges for Services ■ Capital grants ■ Operating Grants ■ Other

Business-Type Activities

Business-type activities decreased the County's net position by \$257,947 before transfers of \$172,595 in from the general fund, compared to the prior year's decrease of \$166,071 before transfers of \$164,541 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 POSITION

	Governmental Activities		Business-Type Activities		Totals		Total Percent Change 2013-2014
	2014	2013	2014	2013	2014	2013	
ASSETS							
Current and other assets	\$ 7,912,081	\$ 7,516,975	\$ 60,159	\$ 117,381	\$ 7,972,240	\$ 7,634,356	4 %
Capital assets, net of accumulated depreciation	15,365,635	15,753,210	309,415	334,086	15,675,050	16,087,296	(3)%
Total assets	\$ 23,277,716	\$ 23,270,185	\$ 369,574	\$ 451,467	\$ 23,647,290	\$ 23,721,652	1 %
LIABILITIES							
Current and other liabilities	\$ 1,065,223	\$ 490,130	\$ 22,292	\$ 18,833	\$ 1,087,515	\$ 508,963	113 %
Long-term liabilities	1,597,547	1,658,395	-	-	1,597,547	1,658,395	(4)%
Total liabilities	2,662,770	2,148,525	22,292	18,833	2,685,062	2,167,358	24 %
NET POSITION							
Net investment in capital assets	13,707,240	14,035,680	309,415	334,086	14,016,655	14,369,766	(2)%
Restricted	3,656,811	2,522,196	-	-	3,656,811	2,522,196	(5)%
Unrestricted	3,250,895	4,563,784	37,867	98,548	3,288,762	4,662,332	(3)%
Total net position	20,614,946	21,121,660	347,282	432,634	20,962,228	21,554,294	(3)%
Total liabilities and net position	\$ 23,277,716	\$ 23,270,185	\$ 369,574	\$ 451,467	\$ 23,647,290	\$ 23,721,652	- %

STATE OF NEW MEXICO, COUNTY OF HIDALGO

MANAGEMENT'S DISCUSSION AND ANALYSIS
CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Totals		Total Percent Change 2013-2014
	2014	2013	2014	2013	2014	2013	
REVENUES							
Program revenues:							
Charges for services	\$ 535,997	\$ 433,085	\$ 254,219	\$ 310,307	\$ 790,216	\$ 743,392	6 %
Operating grants and contributions	347,082	413,111	-	-	347,082	413,111	(16)%
Capital grants and contributions	1,373,446	1,723,384	-	-	1,373,446	1,723,384	(24)%
General revenues:							
Taxes	2,807,900	2,799,822	-	-	2,807,900	2,799,822	- %
Other income	526,361	551,187	-	-	526,361	551,187	(5)%
Interest income	1,425	2,800	-	-	1,425	2,800	(49)%
Total revenues	5,926,211	5,923,389	254,219	310,307	5,846,430	6,233,696	(7)%
EXPENSES							
General government	1,353,734	1,093,090	-	-	1,353,734	1,093,090	24 %
Public safety	3,288,068	4,062,522	-	-	3,288,068	4,062,522	(21)%
Public works	500,492	505,073	-	-	500,492	505,073	(1)%
Health and welfare	626,378	625,254	-	-	626,378	625,254	- %
Culture and recreation	157,658	147,048	-	-	157,658	147,048	7 %
Proprietary expenses	-	-	512,166	476,378	512,166	476,378	8 %
Total expenses	5,926,330	6,432,987	512,166	476,378	6,438,496	6,909,365	(8)%
Changes in net position before transfers	(334,119)	(509,598)	(257,947)	(166,071)	(592,066)	(675,669)	12 %
Transfers	(172,595)	(164,541)	172,595	164,541	-	-	- %
Change in net position	(506,714)	(674,139)	(85,352)	(1,530)	(592,066)	(675,669)	12 %
Net position - beginning	21,121,660	21,795,799	432,634	434,164	21,554,294	22,229,963	(3)%
Net position - ending	\$ 20,614,946	\$ 21,121,660	\$ 347,282	\$ 432,634	\$ 20,962,228	\$ 21,554,294	(3)%

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 \$6,943,932, a decrease of \$184,727 in comparison with the prior year. The decrease is primarily due to the decrease in grant revenue. Approximately 65% of this total amount, \$3,287,121 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, \$255,275.

Revenues for governmental functions overall totaled approximately \$6,348,781 in the fiscal year-ended June 30, 2013, which represents a decrease of \$355,752 from the fiscal year-ended June 30, 2012. Expenditures for governmental functions totaled \$6,360,913. This was a decrease of approximately \$1,112,317 from the fiscal year-ended June 30, 2012, which is primarily a result in decreased grant revenues and capital outlay expenditures. In the fiscal year-ended June 30, 2014, expenditures for governmental functions exceeded revenues by approximately \$12,132.

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 \$3,287,121.

The Road Fund has a total fund balance of \$469,405, all of which is unassigned. The net decrease in fund balance during the current year in the Fire Fund was \$117,165. This decrease 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 position for Ambulance were \$37,867. The total decrease in net position for the proprietary fund was \$85,352.

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.

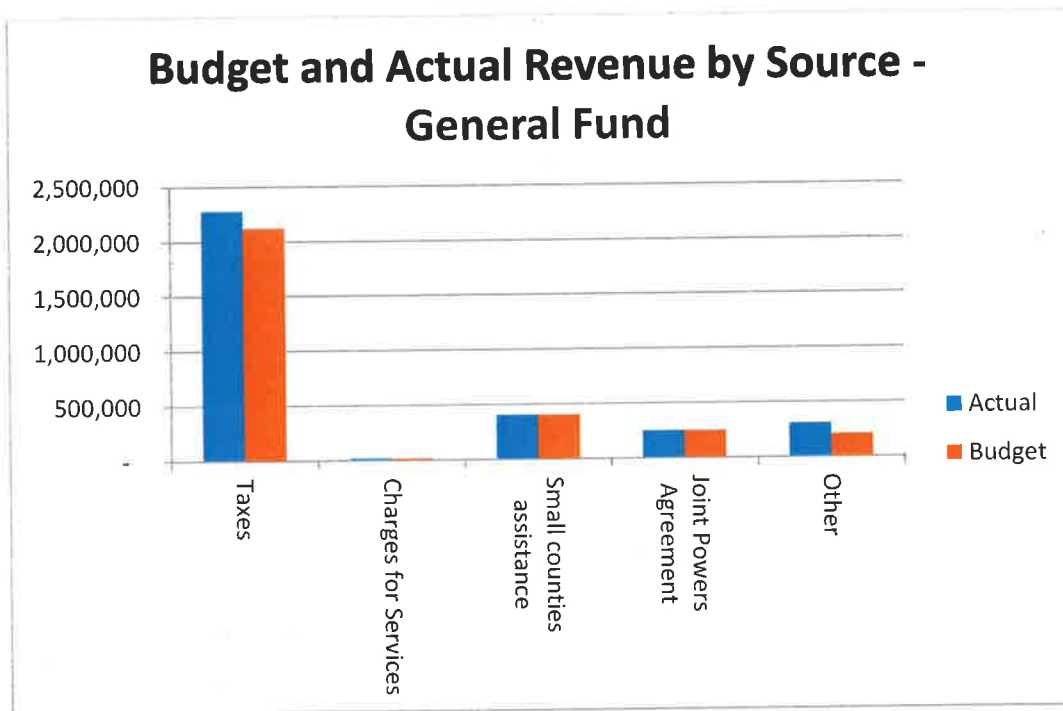
General Fund Budgetary Highlights

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

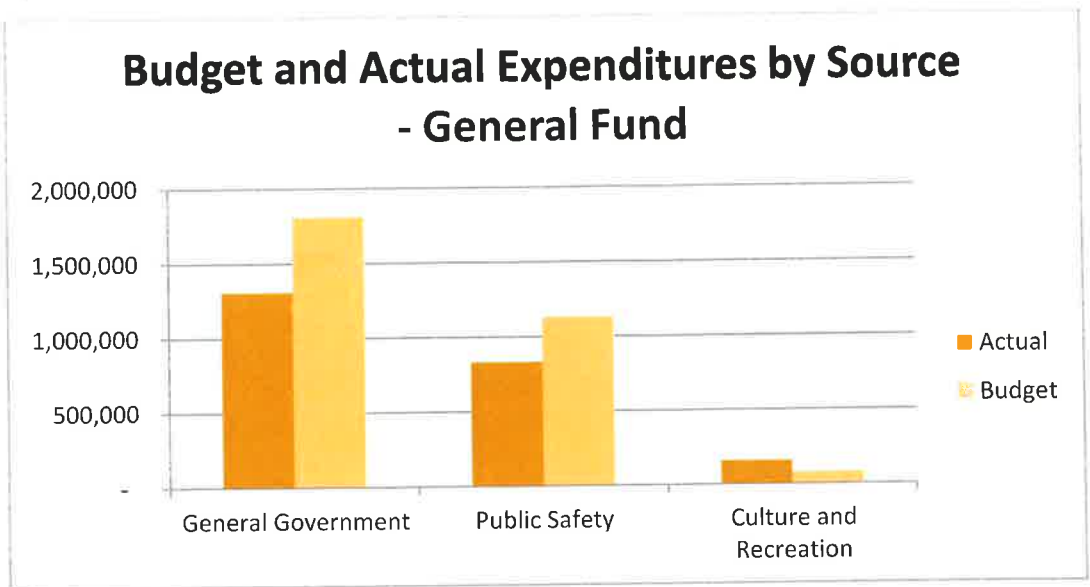
The County has not modified the budget throughout the fiscal year. If modifications were needed, this is done with resolutions to the budget.

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.



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:



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, 2014 amount to \$15,675,050 (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 \$372,964 for governmental activities. Equipment costing \$231,762 was purchased for the County.

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, 2014

	Governmental Activities	Business-Type Activities	Totals
Land and Construction in Progress	\$ 9,366,524	\$ 49,616	\$ 9,416,140
Buildings	3,554,356	160,746	3,715,102
Improvements and Infrastructure	199,696	99,053	298,749
Machinery and Equipment	<u>2,245,059</u>	<u>-</u>	<u>2,245,059</u>
Capital Assets, Net of Accumulated Depreciation	<u>\$ 15,365,635</u>	<u>\$ 309,415</u>	<u>\$ 15,675,050</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 Position shows the Investment in Capital Assets-Governmental Funds in the amount of \$13,707,240. This investment includes the land, buildings, land and building improvements, equipment, construction in progress, and all applicable debt service.

The County's loans decreased \$59,135 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 2015 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 POSITION
JUNE 30, 2014**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 4,088,235	\$ 22,583	\$ 4,110,818
Accounts receivable	-	37,576	37,576
Taxes receivable	334,765	-	334,765
Investments	2,410,877	-	2,410,877
Due from other governments	<u>1,078,204</u>	<u>-</u>	<u>1,078,204</u>
Total current assets	7,912,081	60,159	7,972,240
NON-CURRENT ASSETS:			
Capital assets	25,440,644	1,098,757	26,539,401
Less: accumulated depreciation	<u>(10,075,009)</u>	<u>(789,342)</u>	<u>(10,864,351)</u>
Total non-current assets	<u>15,365,635</u>	<u>309,415</u>	<u>15,675,050</u>
Total assets	<u>\$ 23,277,716</u>	<u>\$ 369,574</u>	<u>\$ 23,647,290</u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts payable	\$ 29,332	\$ -	\$ 29,332
Accrued salaries	56,424	11,517	67,941
Due to other governments	882,393	-	882,393
Compensated absences	<u>36,226</u>	<u>10,775</u>	<u>47,001</u>
Total current liabilities	<u>1,004,375</u>	<u>22,292</u>	<u>1,026,667</u>
NON-CURRENT LIABILITIES:			
Due within one year	60,848	-	60,848
Due in more than one year	<u>1,597,547</u>	<u>-</u>	<u>1,597,547</u>
Total non-current liabilities	<u>1,658,395</u>	<u>-</u>	<u>1,658,395</u>
Total liabilities	<u>2,662,770</u>	<u>22,292</u>	<u>2,685,062</u>
NET POSITION			
Net investment in capital assets	13,707,240	309,415	14,016,655
Restricted for:			
Capital projects	255,275	-	255,275
Special revenue funds	3,401,536	-	3,401,536
Unrestricted	<u>3,250,895</u>	<u>37,867</u>	<u>3,288,762</u>
Total net position	<u>20,614,946</u>	<u>347,282</u>	<u>20,962,228</u>
Total liabilities and net position	<u>\$ 23,277,716</u>	<u>\$ 369,574</u>	<u>\$ 23,647,290</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, 2014

FUNCTIONS/PROGRAMS	Net (Expenses) Revenue and changes in Net Position						
	Expenses	Charges for Services	Program Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,353,734	\$ 333,865	\$ -	\$ -	\$ (1,019,869)	\$ -	\$ (1,019,869)
Public safety	3,288,068	202,132	347,082	1,312,452	(1,426,402)	-	(1,426,402)
Public works	500,492	-	-	-	(500,492)	-	(500,492)
Health and welfare	626,378	-	-	-	(626,378)	-	(626,378)
Culture and recreation	157,658	-	-	-	(157,658)	-	(157,658)
Interest on long-term debt	3,015	-	-	-	(3,015)	-	(3,015)
Total governmental activities	5,929,345	535,997	347,082	1,312,452	(3,733,814)	-	(3,733,814)
Business-Type activities							
Ambulance service	512,166	254,219	-	-	-	(257,947)	(257,947)
Total business-type activities	512,166	254,219	-	-	-	(257,947)	(257,947)
Total primary government	6,441,511	790,216	347,082	1,312,452	(3,733,814)	(257,947)	(3,991,761)
General revenues:							
Taxes							
Property taxes					2,259,365	-	2,259,365
Motor vehicle taxes					207,392	-	207,392
Gasoline taxes					114,132	-	114,132
Gross receipts taxes					227,011	-	227,011
State shared assistance					-	-	-
Small counties assistance					403,000	-	403,000
Intergovernmental income					121,936	-	121,936
License and fees					1,425	-	1,425
Investment income					65,434	-	65,434
Transfers					(172,595)	172,595	-
Total general revenues					3,227,100	172,595	3,399,695
Change in net position					(506,714)	(85,352)	(592,066)
Net position - beginning					21,121,660	432,634	21,554,294
Net position- ending					20,614,946	347,282	20,962,228

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, 2014

	<u>General Fund</u>	<u>Road Fund</u>	<u>Fire Fund</u>	<u>Total Non- Major Funds</u>	<u>Total Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,470,210	\$ 305,371	\$ 793,870	\$ 1,518,784	\$ 4,088,235
Taxes receivable	319,457	15,308	-	-	334,765
Investments	2,410,877	-	-	-	2,410,877
Due from other governments	-	154,395	-	923,809	1,078,204
Total assets	<u>\$ 4,200,544</u>	<u>\$ 475,074</u>	<u>\$ 793,870</u>	<u>\$ 2,442,593</u>	<u>\$ 7,912,081</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 29,332	\$ 29,332
Accrued liabilities	31,030	5,669	-	19,725	56,424
Due to other governments	882,393	-	-	-	882,393
Total liabilities	913,423	5,669	-	49,057	968,149
Fund Balance:					
Restricted for capital projects	-	-	-	255,275	255,275
Restricted for special revenue funds	-	469,405	793,870	2,138,261	3,401,536
Unassigned	3,287,121	-	-	-	3,287,121
Total fund balances	<u>3,287,121</u>	<u>469,405</u>	<u>793,870</u>	<u>2,393,536</u>	<u>6,943,932</u>
Total liabilities and fund balances	<u>\$ 4,200,544</u>	<u>\$ 475,074</u>	<u>\$ 793,870</u>	<u>\$ 2,442,593</u>	<u>\$ 7,912,081</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 POSITION
JUNE 30, 2014

Total fund balance - governmental funds		\$ 6,943,932
Amounts reported for governmental activities in the Statement of Net Position 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	25,440,644	
Accumulated depreciation	<u>(10,075,009)</u>	15,365,635
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		(36,226)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds		<u>(1,658,395)</u>
Total net position- governmental activities		<u>\$ 20,614,946</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 -
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Road Fund	Fire Fund	Total Non- Major Funds	Total Funds
REVENUES					
Property taxes	\$ 2,259,365	\$ -	\$ -	\$ -	\$ 2,259,365
Motor vehicle taxes	17,566	189,826	-	-	207,392
Gasoline taxes	-	114,132	-	-	114,132
Gross receipts taxes	-	-	-	227,011	227,011
Intergovernmental income	-	33,729	-	88,207	121,936
Charges for services	20,628	-	-	515,369	535,997
Small counties assistance	403,000	-	-	-	403,000
License and fines	1,425	-	-	-	1,425
Other income	490,491	35,004	-	134,122	659,617
Investment income	65,434	-	-	-	65,434
Federal grant	-	-	-	940,255	940,255
State grant	-	-	347,082	466,135	813,217
	<u>3,257,909</u>	<u>372,691</u>	<u>347,082</u>	<u>2,371,099</u>	<u>6,348,781</u>
EXPENDITURES					
Current:					
General government	1,303,711	-	-	50,023	1,353,734
Public safety	834,583	-	239,598	2,213,887	3,288,068
Public works	-	500,492	-	-	500,492
Culture and recreation	157,658	-	-	-	157,658
Health and welfare	-	-	-	626,378	626,378
Debt service					
Interest	-	-	-	2,484	2,484
Principal	-	-	-	59,135	59,135
Capital outlay	-	-	224,649	148,315	372,964
	<u>2,295,952</u>	<u>500,492</u>	<u>464,247</u>	<u>3,100,222</u>	<u>6,360,913</u>
Excess (deficiency) revenues over (under) expenditures	<u>961,957</u>	<u>(127,801)</u>	<u>(117,165)</u>	<u>(729,123)</u>	<u>(12,132)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	11,000	-	-	652,707	663,707
Transfers in (out)	<u>(784,058)</u>	<u>-</u>	<u>-</u>	<u>(52,244)</u>	<u>(836,302)</u>
	<u>(773,058)</u>	<u>-</u>	<u>-</u>	<u>600,463</u>	<u>(172,595)</u>
Net change in fund balance	188,899	(127,801)	(117,165)	(128,660)	(184,727)
Fund balance beginning of year	<u>3,098,222</u>	<u>597,206</u>	<u>911,035</u>	<u>2,522,196</u>	<u>7,128,659</u>
Fund balance end of year	<u>\$ 3,287,121</u>	<u>\$ 469,405</u>	<u>\$ 793,870</u>	<u>\$ 2,393,536</u>	<u>\$ 6,943,932</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, 2014

Total net change in fund balances - governmental funds \$ (184,727)

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	372,964	
Depreciation expense	<u>(760,539)</u>	(387,575)

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 position. 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	59,135	
Compensated absences	<u>6,453</u>	<u>65,588</u>

Change in net position of governmental activities \$ (506,714)

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Property taxes	\$ 2,110,174	\$ 2,110,174	\$ 2,259,365	\$ 149,191
Motor vehicle taxes	15,000	15,000	17,566	2,566
Licenses & fines	2,250	2,250	1,425	(825)
Charges for services	17,500	17,500	20,628	3,128
Miscellaneous revenues	465,000	465,000	490,491	25,491
Investment income	28,500	28,500	65,434	36,934
Small counties assistance	365,000	365,000	403,000	38,000
Total revenues	3,003,424	3,003,424	3,257,909	254,485
EXPENDITURES:				
Current:				
General government	1,495,240	1,811,488	1,309,176	502,312
Public safety	1,131,894	1,131,894	834,583	297,311
Culture and recreation	78,500	78,500	157,658	(79,158)
Total expenditures	2,705,634	3,021,882	2,301,417	720,465
Excess (deficiency) of revenues over expenditures	297,790	(18,458)	956,492	974,950
OTHER FINANCING SOURCES (USES)				
Transfers in	11,000	11,000	11,000	-
Transfers in (out)	(829,080)	(829,080)	(784,058)	45,022
Total other financing sources (uses)	(818,080)	(818,080)	(773,058)	45,022
Net changes in fund balance Non-GAAP basis	(520,290)	(836,538)	183,434	1,019,972
Fund balance - beginning	3,098,222	3,098,222	3,098,222	-
Fund balance - ending	\$ 2,577,932	\$ 2,261,684	\$ 3,281,656	\$ 1,019,972
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 183,434	
Revenue accruals		-		
Expenditure accruals		5,465	5,465	
Net change in fund balance - GAAP basis			\$ 188,899	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Motor vehicle taxes	\$ 150,000	\$ 150,000	\$ 189,827	\$ 39,827
Gasoline taxes	110,000	110,000	114,132	4,132
State grants	721,602	721,602	33,729	(687,873)
Miscellaneous	-	-	35,004	35,004
Total revenues	981,602	981,602	372,692	(608,910)
EXPENDITURES:				
Current:				
Public works	<u>1,090,161</u>	<u>1,090,161</u>	<u>500,755</u>	<u>589,406</u>
Total expenditures	<u>1,090,161</u>	<u>1,090,161</u>	<u>500,755</u>	<u>589,406</u>
Net changes in fund balance Non-GAAP basis	(108,559)	(108,559)	(128,063)	(19,504)
Fund balance - beginning	<u>597,207</u>	<u>597,207</u>	<u>597,207</u>	<u>-</u>
Fund balance - ending	<u>\$ 488,648</u>	<u>\$ 488,648</u>	<u>\$ 469,144</u>	<u>\$ (19,504)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (128,063)	
Revenue accruals			-	
Expenditure accruals		<u>262</u>	<u>262</u>	
Net change in fund balance - GAAP basis			<u>\$ (127,801)</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grants	\$ 260,000	\$ 260,000	\$ 336,435	\$ 76,435
Miscellaneous	25,000	25,000	10,647	(14,353)
Total revenues	285,000	285,000	347,082	62,082
EXPENDITURES:				
Current:				
Public Safety	218,882	230,882	239,598	(8,716)
Capital outlay	238,713	238,713	224,649	14,064
Total expenditures	457,595	469,595	464,247	5,348
Excess (deficiency) of revenues over expenditures	(172,595)	(184,595)	(117,165)	67,430
Net changes in fund balance Non-GAAP basis	(172,595)	(184,595)	(117,165)	67,430
Fund balance - beginning	911,035	911,035	911,035	-
Fund balance - ending	\$ 738,440	\$ 726,440	\$ 793,870	\$ 67,430
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			(117,165)	
Revenue accruals		-		
Expenditure accruals		-		
Net change in fund balance - GAAP basis			\$ (117,165)	

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

PROPRIETARY FUND

STATE OF NEW MEXICO, COUNTY OF HIDALGO

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS - AMBULANCE FUND
JUNE 30, 2014**

ASSETS

Current assets:

Cash and cash equivalents	\$ 22,583
Accounts receivable, net of allowance for doubtful accounts	<u>37,576</u>

Total current assets	60,159
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Non-current assets:

Capital assets	1,098,757
Accumulated depreciation	<u>(789,342)</u>

Total non-current assets	<u>309,415</u>
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Total assets	<u>\$ 369,574</u>
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LIABILITIES

Current liabilities:

Accrued salaries	\$ 11,517
Accrued compensated absences	<u>10,775</u>

Total current liabilities	22,292
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NET POSITION

Net investment in capital assets	309,415
Unrestricted	<u>37,867</u>

Net position	<u>347,282</u>
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Total liabilities and net position	<u>\$ 369,574</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 POSITION
PROPRIETARY FUNDS - AMBULANCE FUND
FOR THE YEAR ENDED JUNE 30, 2014**

OPERATING REVENUES

Charges for services	\$ 248,168
Miscellaneous revenue	<u>6,051</u>

Total revenues	254,219
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OPERATING EXPENSES

Personnel expenses	369,582
Depreciation	38,735
Other operating costs	<u>103,849</u>

Total operating expenses	<u>512,166</u>
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Operating loss	(257,947)
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Transfers in	<u>172,595</u>
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Change in net position	(85,352)
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Net position, beginning of year	<u>432,634</u>
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Net position, end of year	<u>\$ 347,282</u>
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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, 2014

Cash flows from operating activities:	
Cash received from agencies and customers	\$ 248,168
Cash payments to suppliers for goods and services	(97,798)
Cash used for salaries and operating expenses	<u>(366,123)</u>
Net cash used in operating activities	(215,753)
Cash flows from financing activities - capital and non-capital:	
Intergovernmental transfers	172,595
Acquisition of capital assets	<u>(14,064)</u>
Net cash provided by financing activities	<u>158,531</u>
Net change in cash and cash equivalents	(57,222)
Cash and cash equivalents - beginning of year	<u>79,805</u>
Cash and cash equivalents - end of year	<u>\$ 22,583</u>
Reconciliation of operating income to net cash used in operating activities:	
Operating loss	\$ (257,947)
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	38,735
Changes in assets and liabilities:	
Accrued salaries	<u>3,459</u>
Net cash used in operating activities	<u>\$ (215,753)</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, 2014**

ASSETS

Current assets:

Cash	\$	128
Taxes receivables		<u>331,984</u>

Total assets	\$	<u>332,112</u>
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LIABILITIES

Current liabilities

Accounts payable	\$	128
Due to other taxing entities		<u>331,984</u>

Total liabilities	\$	<u>332,112</u>
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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, 2014

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

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.

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 Position 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. **Unearned Revenue and Deferred Inflows/Outflows:**

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 unearned revenues. In addition, property taxes receivable but uncollected within sixty (60) days of year end are classified as deferred inflow.

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 position.

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 position. 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 Position**

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

Net investment in capital assets - This category reflects the portion of net position that are associated with capital assets less outstanding capital asset related debt.

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

Unrestricted net position - This category reflects net position 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.

13. New Governmental Accounting Standards

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 67 Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25. Earlier application is encouraged. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing

standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The County has analyzed the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statements.

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68 Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27. Earlier application is encouraged. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The County has analyzed the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statements.

In January 2013, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 69 Government Combinations and Disposals of government Operations. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis. Earlier application is encouraged. The County is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In April 2013, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 70 Accounting and Financial Reporting for Nonexchange Financial Guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the

range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013. Earlier application is encouraged. Except for disclosures related to cumulative amounts paid or received in relation to a financial guarantee, the provisions of this Statement are required to be applied retroactively. Disclosures related to cumulative amounts paid or received in relation to a financial guarantee may be applied prospectively. The County is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In November 2013, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 71 Pension Transition for Contributions made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The County is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

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, 2014 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>
Insured:	\$ 250,000
Collateralized:	
Collateral held by pledging bank's trust not in the county's name	3,528,026
Uninsured and uncollateralized	<u>2,852,431</u>
 Total Cash and Investments, Primary Government	 <u>\$ 6,630,457</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, 2014, \$6,380,457 of the County's bank balance of \$6,380,457 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,852,431
Uninsured and collateralized held by pledging bank's trust department not in County's name	<u>3,528,026</u>
 Total Cash and Investments, Primary Government	 <u>\$ 6,380,457</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, 2014, consist of the following:

	<u>Governmental Funds</u>	<u>Proprietary Fund</u>	<u>Total</u>
Taxes receivable:			
Property taxes	\$ 319,457	\$ -	\$ 319,457
Due from other governments:			
Motor vehicles	15,308	-	15,308
Intergovernmental - state	1,078,204	-	1,078,204
Other receivables:			
Accounts receivable	<u>-</u>	<u>37,576</u>	<u>37,576</u>
 Net receivables	 <u>\$ 1,412,969</u>	 <u>\$ 37,576</u>	 <u>\$ 1,450,545</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, 2014, 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, 2014 was charged as follows:

General Government	\$ 357,597
Public Safety	305,785
Public Works	85,361
Culture and Recreation	<u>11,796</u>
Total depreciation expense	<u>\$ 760,539</u>

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Government activities:				
Capital assets not being depreciated				
Land	\$ 133,052	\$ -	\$ -	\$ 133,052
Construction in progress	<u>9,233,472</u>	<u>-</u>	<u>-</u>	<u>9,233,472</u>
Total	9,366,524	-	-	9,366,524
Other capital assets being depreciated				
Buildings	7,529,155	141,202	-	7,670,357
Improvements/Infrastructure	397,485	-	-	397,485
Machinery and equipment	<u>7,774,516</u>	<u>231,762</u>	<u>-</u>	<u>8,006,278</u>
Total	25,067,680	372,964	-	25,440,644
Accumulated depreciation:				
Buildings	3,772,306	343,695	-	4,116,001
Improvements/Infrastructure	186,992	10,797	-	197,789
Machinery and equipment	<u>5,355,172</u>	<u>406,047</u>	<u>-</u>	<u>5,761,219</u>
Total accumulated depreciation	<u>9,314,470</u>	<u>760,539</u>	<u>-</u>	<u>10,075,009</u>
Net book value	<u>\$ 15,753,210</u>	<u>\$ (387,575)</u>	<u>\$ -</u>	<u>\$ 15,365,635</u>

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Business-type activities				
Capital assets not being depreciated				
Construction in progress	\$ 49,616	\$ -	\$ -	\$ 49,616
Capital assets being depreciated				
Buildings	318,961	-	-	318,961
Improvements/Infrastructure	<u>716,116</u>	<u>14,064</u>	<u>-</u>	<u>730,180</u>
Total	1,084,693	14,064	-	1,098,757
Accumulated depreciation:				
Buildings	158,215	-	-	158,215
Improvements/Infrastructure	<u>592,392</u>	<u>38,735</u>	<u>-</u>	<u>631,127</u>
Total accumulated depreciation	<u>750,607</u>	<u>38,735</u>	<u>-</u>	<u>789,342</u>
Net book value	<u>\$ 334,086</u>	<u>\$ (24,671)</u>	<u>\$ -</u>	<u>\$ 309,415</u>

Depreciation expense relating to business-like activities for the year-ended June 30, 2014 totaled \$38,735.

5. LONG-TERM LIABILITIES

During the year-end June 30, 2014, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<u>Balance</u> <u>6/30/13</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/14</u>	<u>Due Within</u> <u>One Year</u>
Governmental Funds					
Detention Center	\$ 1,717,530	\$ -	\$ 59,135	\$ 1,658,395	\$ 60,848
Compensated absences	<u>42,679</u>	<u>34,890</u>	<u>41,343</u>	<u>36,226</u>	<u>36,226</u>
Total	<u>\$ 1,760,209</u>	<u>\$ 34,890</u>	<u>\$ 100,478</u>	<u>\$ 1,694,621</u>	<u>\$ 97,074</u>

Excess gross receipts taxes collected are applied against principal of the revenue bonds annually. NMFA loans are paid by the Detention Center Fund. 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>6/30/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/14</u>	<u>Due Within</u> <u>One Year</u>
Proprietary Fund					
Compensated absences	<u>\$ 9,032</u>	<u>\$ 9,520</u>	<u>\$ 7,777</u>	<u>\$ 10,775</u>	<u>\$ 10,775</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</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt</u> <u>Service</u>
2015	60,848	2,556	63,404
2016	62,692	2,633	65,325
2017	64,676	2,716	67,392
2018	66,812	2,806	69,618
2019	69,105	2,902	72,007
2020-2034	<u>1,334,262</u>	<u>56,039</u>	<u>1,390,301</u>
	<u>\$ 1,658,395</u>	<u>\$ 69,652</u>	<u>\$ 1,728,047</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, 2014.

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, 2013 through June 30, 2014, the premiums paid by the County were \$258,963. 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.

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, 2014, June 30, 2013 and June 30, 2012 were \$133,358, \$187,604, and \$190,060, 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, 2014.

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, 2014 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
Governmental Funds:			
General Fund	\$ 11,000	\$ 784,058	Operating and debt expenses
Grants	-	11,244	Operating expenses
Indigent Care	-	11,000	Operating expenses
Debt Service	61,619	-	Transfers to pay debt
Detention Center	400,000	-	Operating expenses
C& C Transfers	191,088	-	Operating expenses
Gross Receipts Environmental	-	30,000	Operating expenses
	<u>\$ 663,707</u>	<u>\$ 836,302</u>	
Enterprise Funds:			
Ambulance Fund	<u>\$ 172,595</u>	<u>\$ -</u>	Operating expense
Total	<u>\$ 836,302</u>	<u>\$ 836,302</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 6-11-6.

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, 2014

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 1,273,818	\$ 244,966	\$ -	\$ 1,518,784
Due from other funds	<u>913,500</u>	<u>10,309</u>	<u>-</u>	<u>923,809</u>
Total assets	<u>\$ 2,187,318</u>	<u>\$ 255,275</u>	<u>\$ -</u>	<u>\$ 2,442,593</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 29,332	\$ -	\$ -	\$ 29,332
Accrued liabilities	<u>19,725</u>	<u>-</u>	<u>-</u>	<u>19,725</u>
Total liabilities	49,057	-	-	49,057
Fund Balance:				
Restricted for capital projects	-	255,275	-	255,275
Restricted for special revenue funds	<u>2,138,261</u>	<u>-</u>	<u>-</u>	<u>2,138,261</u>
Total fund balances	<u>2,138,261</u>	<u>255,275</u>	<u>-</u>	<u>2,393,536</u>
Total liabilities and fund balances	<u>\$ 2,187,318</u>	<u>\$ 255,275</u>	<u>\$ -</u>	<u>\$ 2,442,593</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, 2014

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Funds
REVENUES				
Gross receipts taxes	\$ 227,011	\$ -	\$ -	\$ 227,011
Intergovernmental income	88,207	-	-	88,207
Charges for services	515,369	-	-	515,369
Other income	118,646	15,476	-	134,122
Federal grant	940,255	-	-	940,255
State grant	466,135	-	-	466,135
	<u>2,355,623</u>	<u>15,476</u>	<u>-</u>	<u>2,371,099</u>
EXPENDITURES				
Current:				
General government	50,023	-	-	50,023
Public safety	2,213,887	-	-	2,213,887
Health and welfare	613,378	13,000	-	626,378
Debt service				
Interest	-	-	2,484	2,484
Principal	-	-	59,135	59,135
Capital outlay	148,315	-	-	148,315
	<u>3,025,603</u>	<u>13,000</u>	<u>61,619</u>	<u>3,100,222</u>
Excess (deficiency) revenues over (under) expenditures	<u>(669,980)</u>	<u>2,476</u>	<u>(61,619)</u>	<u>(729,123)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	591,088	-	61,619	652,707
Transfers out	(52,244)	-	-	(52,244)
Total other financing sources (uses)	<u>538,844</u>	<u>-</u>	<u>61,619</u>	<u>600,463</u>
Net change in fund balance	(131,136)	2,476	-	(128,660)
Fund balance beginning of year	<u>2,269,397</u>	<u>252,799</u>	<u>-</u>	<u>2,522,196</u>
Fund balance end of year	<u>\$ 2,138,261</u>	<u>\$ 255,275</u>	<u>\$ -</u>	<u>\$ 2,393,536</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, 2014

	Clerk's Equipment and Recording	Farm and Range	Property Valuation	C & C Transfer	Grants	Correction Fees	DARE
ASSETS							
Cash and cash equivalents	\$ 18,291	\$ 38,462	\$ 221,797	\$ 154,825	\$ 115,080	\$ 387,305	\$ 54,929
Due from other funds	-	-	-	-	835,571	-	-
Total assets	\$ 18,291	\$ 38,462	\$ 221,797	\$ 154,825	\$ 950,651	\$ 387,305	\$ 54,929
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ 5,776	\$ -	\$ 6,628	\$ 10,209	\$ 6,719	\$ -
Accrued liabilities	-	-	-	325	7,585	-	-
Total liabilities	-	5,776	-	6,953	17,794	6,719	-
Fund balance							
Restricted for special revenue funds	18,291	32,686	221,797	147,872	932,857	380,586	54,929
Total liabilities and fund balance	\$ 18,291	\$ 38,462	\$ 221,797	\$ 154,825	\$ 950,651	\$ 387,305	\$ 54,929

(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, 2014

	Law Enf Protection	Gross Receipts Landfill	Indigent Care	Gross Receipts Env.	EMS Grant	Hidalgo Complex	Lodger's Tax	Recyclable Monies	Detention Center	Total
ASSETS										
Cash and cash equivalents	\$ 863	\$ 34,391	\$ 65,021	\$ 76,489	\$ 22,921	\$ 8,851	\$ 6,543	\$ 47,643	\$ 20,407	\$ 1,273,818
Due from other funds	-	39,500	10,679	5,785	-	-	-	-	21,965	913,500
Total assets	\$ 863	\$ 73,891	\$ 75,700	\$ 82,274	\$ 22,921	\$ 8,851	\$ 6,543	\$ 47,643	\$ 42,372	\$ 2,187,318
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,332
Accrued liabilities	-	2,517	-	-	-	-	-	-	9,298	19,725
Total liabilities	-	2,517	-	-	-	-	-	-	9,298	49,057
Fund balance										
Restricted for special revenue funds	863	71,374	75,700	82,274	22,921	8,851	6,543	47,643	33,074	2,138,261
Total liabilities and fund balance	\$ 863	\$ 73,891	\$ 75,700	\$ 82,274	\$ 22,921	\$ 8,851	\$ 6,543	\$ 47,643	\$ 42,372	\$ 2,187,318

(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, 2014

	Clerk's Equipment and Recording	Farm and Range	Property Valuation	C & C Transfer	Grants	Correction Fees	DARE
REVENUES							
State shared taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-	-	-	-
Intergovernmental income	-	21,883	-	-	-	-	-
Charges for services	7,519	-	33,430	262,587	-	145,671	-
Other income	-	-	-	-	-	21,075	15,252
State grants	-	-	-	-	466,135	-	-
Federal grants	-	-	-	-	940,255	-	-
Total revenues	<u>7,519</u>	<u>21,883</u>	<u>33,430</u>	<u>262,587</u>	<u>1,406,390</u>	<u>166,746</u>	<u>15,252</u>
EXPENDITURES							
Current:							
General government	11,514	-	38,509	-	-	-	-
Public safety	-	-	-	-	1,451,561	214,543	3,281
Culture and recreation	-	-	-	-	-	-	-
Health and welfare	-	29,006	-	293,891	-	-	-
Capital outlay	-	29,006	-	-	-	148,315	-
Total expenditures	<u>11,514</u>	<u>29,006</u>	<u>38,509</u>	<u>293,891</u>	<u>1,451,561</u>	<u>362,858</u>	<u>3,281</u>
Excess (deficiency) of revenues over (under) expenditures	(3,995)	(7,123)	(5,079)	(31,304)	(45,171)	(196,112)	11,971
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	191,088	-	-	-
Operating transfers out	-	-	-	-	(11,244)	-	-
Total other financing source (uses)	-	-	-	191,088	(11,244)	-	-
Net change in fund balance	(3,995)	(7,123)	(5,079)	159,784	(56,415)	(196,112)	11,971
Fund balance, beginning of year	22,286	39,809	226,876	(11,912)	989,272	576,698	42,958
Fund balance, end of year	<u>\$ 18,291</u>	<u>\$ 32,686</u>	<u>\$ 221,797</u>	<u>\$ 147,872</u>	<u>\$ 932,857</u>	<u>\$ 380,586</u>	<u>\$ 54,929</u>

(Continued)

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, 2014

	Law Enf. Protection	Gross Receipts Landfill	Indigent Care	Gross Receipts Env.	EMS Grant	Hidalgo Complex	Lodgers Tax	Recycable Monies	Detention Center	Total
REVENUES										
State shared taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 227,011
Gross receipts taxes	-	93,824	99,460	33,727	-	-	-	-	-	88,207
Intergovernmental income	26,087	-	-	-	40,237	-	-	9,701	56,461	515,369
Charges for services	-	-	-	-	-	-	-	-	77,150	118,646
Other income	-	-	-	-	-	976	4,193	-	-	466,135
State grants	-	-	-	-	-	-	-	-	-	940,255
Federal grants	-	-	-	-	-	-	-	-	-	-
Total revenues	26,087	93,824	99,460	33,727	40,237	976	4,193	9,701	133,611	2,355,623
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	-	-	50,023
Public safety	34,457	-	-	-	-	-	-	-	510,045	2,213,887
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	106,408	137,058	-	36,637	7,378	3,000	-	-	613,378
Capital outlay	-	-	-	-	-	-	-	-	-	148,315
Total expenditures	34,457	106,408	137,058	-	36,637	7,378	3,000	-	510,045	3,025,603
Excess (deficiency) of revenues over (under) expenditures	(8,370)	(12,584)	(37,598)	33,727	3,600	(6,402)	1,193	9,701	(376,434)	(669,980)
OTHER FINANCING SOURCES (USES)										
Operating transfers in	-	-	-	-	-	-	-	-	400,000	591,088
Operating transfers out	-	-	(11,000)	(30,000)	-	-	-	-	-	(52,244)
Total other financing source (uses)	-	-	(11,000)	(30,000)	-	-	-	-	400,000	538,844
Net change in fund balance	(8,370)	(12,584)	(48,598)	3,727	3,600	(6,402)	1,193	9,701	23,566	(131,136)
Fund balance, beginning of year	9,233	83,958	124,298	78,547	19,321	15,253	5,350	37,942	9,508	2,269,397
Fund balance, end of year	\$ 863	\$ 71,374	\$ 75,700	\$ 82,274	\$ 22,921	\$ 8,851	\$ 6,543	\$ 47,643	\$ 33,074	\$ 2,138,261

(Concluded)

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 - CLERK'S EQUIPMENT AND RECORDING FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Charges for services	\$ 5,000	\$ 5,000	\$ 7,519	\$ 2,519
Total revenues	5,000	5,000	7,519	2,519
EXPENDITURES:				
Current:				
General government	5,000	12,000	11,514	486
Total expenditures	5,000	12,000	11,514	486
Excess (deficiency) of revenues over expenditures	-	(7,000)	(3,995)	3,005
Net changes in fund balance Non-GAAP basis	-	(7,000)	(3,995)	3,005
Fund balance - beginning	22,286	22,286	22,286	-
Fund balance - ending	\$ 22,286	\$ 15,286	\$ 18,291	\$ 3,005
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (3,995)	
Revenue accruals		-		
Expenditure accruals		-		
Net change in fund balance - GAAP basis			\$ (3,995)	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Intergovernmental income	\$ 27,000	\$ 27,000	\$ 21,883	\$ (5,117)
Total revenues	27,000	27,000	21,883	(5,117)
EXPENDITURES:				
Current:				
Health and welfare	29,000	29,006	23,230	5,776
Total expenditures	29,000	29,006	23,230	5,776
Excess (deficiency) of revenues over expenditures	(2,000)	(2,006)	(1,347)	659
Net changes in fund balance Non-GAAP basis	(2,000)	(2,006)	(1,347)	659
Fund balance - beginning	39,809	39,809	39,809	-
Fund balance - ending	\$ 37,809	\$ 37,803	\$ 38,462	\$ 659
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (1,347)	
Revenue accruals		-		
Expenditure accruals		(5,776)	(5,776)	
Net change in fund balance - GAAP basis			\$ (7,123)	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Charges for services	\$ 20,000	\$ 20,000	\$ 33,430	\$ 13,430
Total revenues	20,000	20,000	33,430	13,430
EXPENDITURES:				
Current:				
General government	60,259	60,259	38,509	21,750
Total expenditures	60,259	60,259	38,509	21,750
Excess (deficiency) of revenues over expenditures	(40,259)	(40,259)	(5,079)	35,180
Net changes in fund balance Non-GAAP basis	(40,259)	(40,259)	(5,079)	35,180
Fund balance - beginning	226,876	226,876	226,876	-
Fund balance - ending	\$ 186,617	\$ 186,617	\$ 221,797	\$ 35,180
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (5,079)	
Revenue accruals		-	-	
Expenditure accruals		-	-	
Net change in fund balance - GAAP basis			\$ (5,079)	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Charges for services	\$ 263,000	\$ 263,000	\$ 262,587	\$ (413)
Total revenues	263,000	263,000	262,587	(413)
EXPENDITURES:				
Current				
Health and welfare	295,000	295,000	287,682	7,318
Total expenditures	295,000	295,000	287,682	7,318
Excess (deficiency) of revenues over expenditures	(32,000)	(32,000)	(25,095)	6,905
OTHER FINANCING SOURCES (USES)				
Transfers in	191,088	191,088	191,088	-
Total other financing sources (uses)	191,088	191,088	191,088	-
Net changes in fund balance Non-GAAP basis	159,088	159,088	165,993	6,905
Fund balance - beginning	(11,913)	(11,913)	(11,913)	-
Fund balance - ending	\$ 147,175	\$ 147,175	\$ 154,080	\$ 6,905
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 165,993	
Revenue accruals		-		
Expenditure accruals		(6,209)	(6,209)	
Net change in fund balance - GAAP basis			\$ 159,784	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
State grants	\$ 990,536	\$ 990,536	\$ 466,135	\$ (524,401)
Federal grants	<u>2,113,850</u>	<u>2,113,850</u>	<u>940,255</u>	<u>(1,173,595)</u>
Total revenues	3,104,386	3,104,386	1,406,390	(1,697,996)
EXPENDITURES:				
Current:				
Public safety	<u>3,104,386</u>	<u>3,104,386</u>	<u>1,375,792</u>	<u>1,728,594</u>
Total expenditures	<u>3,104,386</u>	<u>3,104,386</u>	<u>1,375,792</u>	<u>1,728,594</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>30,598</u>	<u>30,598</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>(11,244)</u>	<u>(11,244)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(11,244)</u>	<u>(11,244)</u>
Net changes in fund balance Non-GAAP basis	-	-	19,354	19,354
Fund balance - beginning	<u>989,272</u>	<u>989,272</u>	<u>989,272</u>	<u>-</u>
Fund balance - ending	<u>\$ 989,272</u>	<u>\$ 989,272</u>	<u>\$ 1,008,626</u>	<u>\$ 19,354</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 19,354	
Revenue accruals		-		
Expenditure accruals		<u>(75,769)</u>	<u>(75,769)</u>	
Net change in fund balance - GAAP basis			<u>\$ (56,415)</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 - CORRECTION FEES FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Charges for services	\$ 180,000	\$ 180,000	\$ 145,671	\$ (34,329)
Miscellaneous income	47,531	47,531	21,075	(26,456)
Total revenues	227,531	227,531	166,746	(60,785)
EXPENDITURES:				
Current:				
Public safety	299,490	299,490	207,824	91,666
Capital outlay	148,325	148,325	148,315	10
Total expenditures	447,815	447,815	356,139	91,676
Excess (deficiency) of revenues over expenditures	(220,284)	(220,284)	(189,393)	30,891
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance Non-GAAP basis	(220,284)	(220,284)	(189,393)	30,891
Fund balance - beginning	576,698	576,698	576,698	-
Fund balance - ending	\$ 356,414	\$ 356,414	\$ 387,305	\$ 30,891
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (189,393)	
Revenue accruals		-		
Expenditure accruals		(6,719)	(6,719)	
Net change in fund balance - GAAP basis			\$ (196,112)	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Other income	\$ 5,000	\$ 5,000	\$ 15,252	\$ 10,252
Total revenues	5,000	5,000	15,252	10,252
EXPENDITURES:				
Current:				
Public safety	5,000	5,000	3,281	1,719
Total expenditures	5,000	5,000	3,281	1,719
Excess (deficiency) of revenues over expenditures	-	-	11,971	11,971
Net changes in fund balance Non-GAAP basis	-	-	11,971	11,971
Fund balance - beginning	42,958	42,958	42,958	-
Fund balance - ending	\$ 42,958	\$ 42,958	\$ 54,929	\$ 11,971
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 11,971	
Revenue accruals		-		
Expenditure accruals		-		
Net change in fund balance - GAAP basis			\$ 11,971	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Intergovernmental income	\$ 25,400	\$ 25,400	\$ 26,087	\$ 687
Total revenues	25,400	25,400	26,087	687
EXPENDITURES:				
Current				
Public safety	25,400	35,400	34,457	943
Total expenditures	25,400	35,400	34,457	943
Excess (deficiency) of revenues over expenditures	-	(10,000)	(8,370)	1,630
Net changes in fund balance Non-GAAP basis	-	(10,000)	(8,370)	1,630
Fund balance - beginning	9,233	9,233	9,233	-
Fund balance - ending	\$ 9,233	\$ (767)	\$ 863	\$ 1,630
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (8,370)	
Revenue accruals		-		
Expenditure accruals		-		
Net change in fund balance - GAAP basis			\$ (8,370)	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Gross receipts taxes	\$ 100,000	\$ 100,000	\$ 93,824	\$ (6,176)
Total revenues	100,000	100,000	93,824	(6,176)
EXPENDITURES:				
Current:				
Health and welfare	110,000	110,000	104,822	5,178
Total expenditures	110,000	110,000	104,822	5,178
Excess (deficiency) of revenues over expenditures	(10,000)	(10,000)	(10,998)	(998)
OTHER FINANCING SOURCES (USES)				
Proceeds from long term debt	-	-	-	-
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance Non-GAAP basis	(10,000)	(10,000)	(10,998)	(998)
Fund balance - beginning	83,958	83,958	83,958	-
Fund balance - ending	\$ 73,958	\$ 73,958	\$ 72,960	\$ (998)
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (10,998)	
Revenue accruals		-		
Expenditure accruals		(1,586)	(1,586)	
Net change in fund balance - GAAP basis			\$ (12,584)	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Gross receipts taxes	\$ 100,000	\$ 100,000	\$ 99,460	\$ (540)
Total revenues	100,000	100,000	99,460	(540)
EXPENDITURES:				
Current:				
Health and welfare	140,969	140,969	137,058	3,911
Total expenditures	140,969	140,969	137,058	3,911
Excess (deficiency) of revenues over expenditures	(40,969)	(40,969)	(37,598)	3,371
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(11,000)	(11,000)	(11,000)	-
Total other financing sources (uses)	(11,000)	(11,000)	(11,000)	-
Net changes in fund balance Non-GAAP basis	(51,969)	(51,969)	(48,598)	3,371
Fund balance - beginning	124,298	124,298	124,298	-
Fund balance - ending	\$ 72,329	\$ 72,329	\$ 75,700	\$ 3,371
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (48,598)	
Revenue accruals		-	-	
Expenditure accruals		-	-	
Net change in fund balance - GAAP basis			\$ (48,598)	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Gross receipts taxes	\$ 36,000	\$ 36,000	\$ 33,727	\$ (2,273)
Total revenues	36,000	36,000	33,727	(2,273)
EXPENDITURES:				
Current:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	36,000	36,000	33,727	(2,273)
OTHER FINANCING SOURCES (USES)				
Transfers in (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	3,727	(2,273)
Fund balance - beginning	78,547	78,547	78,547	-
Fund balance - ending	\$ 84,547	\$ 84,547	\$ 82,274	\$ (2,273)
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 3,727	
Revenue accruals		-	-	
Expenditure accruals		-	-	
Net change in fund balance - GAAP basis			\$ 3,727	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Intergovernmental income	\$ 28,852	\$ 28,852	\$ 40,237	\$ 11,385
Total revenues	28,852	28,852	40,237	11,385
EXPENDITURES:				
Current:				
Health and welfare	28,852	38,852	36,637	2,215
Total expenditures	28,852	38,852	36,637	2,215
Excess (deficiency) of revenues over expenditures	-	(10,000)	3,600	13,600
Net changes in fund balance Non-GAAP basis	-	(10,000)	3,600	13,600
Fund balance - beginning	19,321	19,321	19,321	-
Fund balance - ending	\$ 19,321	\$ 9,321	\$ 22,921	\$ 13,600
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 3,600	
Revenue accruals		-		
Expenditure accruals		-		
Net change in fund balance - GAAP basis			\$ 3,600	

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, 2014

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Other income	\$ 2,900	\$ 2,900	\$ 976	\$ (1,924)
Total revenues	2,900	2,900	976	(1,924)
EXPENDITURES:				
Current:				
Health and welfare	13,148	13,148	7,378	5,770
Total expenditures	13,148	13,148	7,378	5,770
Excess (deficiency) of revenues over expenditures	(10,248)	(10,248)	(6,402)	3,846
OTHER FINANCING SOURCES (USES)				
Proceeds from long term debt	-	-	-	-
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance Non-GAAP basis	(10,248)	(10,248)	(6,402)	3,846
Fund balance - beginning	15,253	15,253	15,253	-
Fund balance - ending	\$ 5,005	\$ 5,005	\$ 8,851	\$ 3,846
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (6,402)	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in fund balance - GAAP basis			\$ (6,402)	

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, 2014

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Lodger's tax	\$ 3,000	\$ 3,000	\$ 4,193	\$ 1,193
Total revenues	3,000	3,000	4,193	1,193
EXPENDITURES:				
Current:				
Health and welfare	3,000	3,000	3,000	-
Total expenditures	3,000	3,000	3,000	-
Excess (deficiency) of revenues over expenditures	-	-	1,193	1,193
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	1,193	1,193
Fund balance - beginning	5,350	5,350	5,350	-
Fund balance - ending	\$ 5,350	\$ 5,350	\$ 6,543	\$ 1,193
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 1,193	
Revenue accruals		-		
Expenditure accruals		-	-	
Net change in fund balance - GAAP basis			\$ 1,193	

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, 2014**

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Other income	\$ -	\$ -	\$ 9,701	\$ 9,701
Total revenues	-	-	9,701	9,701
EXPENDITURES:				
Current:				
Health and welfare	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	9,701	9,701
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	9,701	9,701
Fund balance - beginning	37,942	37,942	37,942	-
Fund balance - ending	\$ 37,942	\$ 37,942	\$ 47,643	\$ 9,701
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 9,701	
Revenue accruals		-		
Expenditure accruals		-		
Net change in fund balance - GAAP basis			\$ 9,701	

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, 2014

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Commissary	\$ 90,000	\$ 90,000	\$ 56,461	\$ (33,539)
Other income	<u>35,000</u>	<u>35,000</u>	<u>77,150</u>	<u>42,150</u>
Total revenues	125,000	125,000	133,611	8,611
EXPENDITURES:				
Current:				
Public safety	<u>631,941</u>	<u>631,941</u>	<u>513,273</u>	<u>118,668</u>
Total expenditures	<u>631,941</u>	<u>631,941</u>	<u>513,273</u>	<u>118,668</u>
Excess (deficiency) of revenues over expenditures	<u>(506,941)</u>	<u>(506,941)</u>	<u>(379,662)</u>	<u>127,279</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>506,641</u>	<u>506,641</u>	<u>400,000</u>	<u>(106,641)</u>
Total other financing sources (uses)	<u>506,641</u>	<u>506,641</u>	<u>400,000</u>	<u>(106,641)</u>
Net changes in fund balance Non-GAAP basis	(300)	(300)	20,338	20,638
Fund balance - beginning	<u>9,508</u>	<u>9,508</u>	<u>9,508</u>	<u>-</u>
Fund balance - ending	<u>\$ 9,208</u>	<u>\$ 9,208</u>	<u>\$ 29,846</u>	<u>\$ 20,638</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 20,338	
Revenue accruals		-		
Expenditure accruals		<u>3,228</u>	<u>3,228</u>	
Net change in fund balance - GAAP basis			<u>\$ 23,566</u>	

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, 2014

	<u>Hospital Acquisition</u>	<u>Total</u>
ASSETS		
Cash	\$ 244,966	\$ 244,966
Other receivables	<u>10,309</u>	<u>10,309</u>
Total assets	<u>\$ 255,275</u>	<u>\$ 255,275</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	-	-
 Fund balance		
Restricted for capital projects	<u>255,275</u>	<u>255,275</u>
Total liabilities and fund balance	<u>\$ 255,275</u>	<u>\$ 255,275</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, 2014

	<u>Hospital Acquisition</u>	<u>Total</u>
REVENUES		
Other income	\$ 15,476	\$ 15,476
Total revenues	15,476	15,476
EXPENDITURES		
Current:		
Health and welfare	<u>13,000</u>	<u>13,000</u>
Total expenditures	<u>13,000</u>	<u>13,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,476</u>	<u>2,476</u>
Net change in fund balance	2,476	2,476
Fund balance, beginning of year	<u>252,799</u>	<u>252,799</u>
Fund balance, end of year	<u>\$ 255,275</u>	<u>\$ 255,275</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Other income	\$ 14,400	\$ 14,400	\$ 15,476	\$ 1,076
Total revenues	14,400	14,400	15,476	1,076
EXPENDITURES:				
Current:				
Health and welfare	<u>76,328</u>	<u>76,328</u>	<u>13,000</u>	<u>63,328</u>
Total expenditures	<u>76,328</u>	<u>76,328</u>	<u>13,000</u>	<u>63,328</u>
Excess (deficiency) of revenues over expenditures	<u>(61,928)</u>	<u>(61,928)</u>	<u>2,476</u>	<u>64,404</u>
Net changes in fund balance Non-GAAP basis	(61,928)	(61,928)	2,476	64,404
Fund balance - beginning of year	<u>252,799</u>	<u>252,799</u>	<u>252,799</u>	<u>-</u>
Fund balance - end of year	<u>\$ 190,871</u>	<u>\$ 190,871</u>	<u>\$ 255,275</u>	<u>\$ 64,404</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ 2,476	
Revenue accruals		-	-	
Expenditure accruals		<u>-</u>	<u>-</u>	
Net change in fund balance - GAAP basis			<u>\$ 2,476</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, 2014**

	<u>Detention Center Debt Service</u>	<u>Total Debt Service</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
Fund balance		
Reserved for debt service	-	-
Total liabilities and fund balance	<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, 2014**

	<u>Detention Center Debt Service</u>	<u>Total</u>
REVENUES		
Intergovernmental income	\$ -	\$ -
Total revenues	-	-
EXPENDITURES		
Debt service interest	2,484	2,484
Debt service principal	<u>59,135</u>	<u>59,135</u>
Total expenditures	<u>61,619</u>	<u>61,619</u>
Excess (deficiency) of revenues over (under) expenditures	(61,619)	(61,619)
OTHER FINANCING SOURCES (USES)		
Operating transfers in	<u>61,619</u>	<u>61,619</u>
Total other financing source (uses)	<u>61,619</u>	<u>61,619</u>
Net change in fund balance	-	\$ -
Fund balance, beginning of year	<u>-</u>	<u>-</u>
Fund balance, end of year	<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 - DETENTION CENTER DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Intergovernmental income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Debt service interest	2,484	2,484	2,484	-
Debt service principal	59,135	59,135	59,135	-
Total expenditures	61,619	61,619	61,619	-
Excess (deficiency) of revenues over expenditures	(61,619)	(61,619)	(61,619)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	61,619	61,619	61,619	-
Total other financing sources (uses)	61,619	61,619	61,619	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ -	
Revenue accruals		-	-	
Expenditure accruals		-	-	
Net change in fund balance - GAAP basis			\$ -	

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, 2014**

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Charges for services	\$ 260,000	\$ 260,000	\$ 248,168	\$ (11,832)
Miscellaneous	25,000	25,000	6,051	(18,949)
Total revenues	285,000	285,000	254,219	(30,781)
EXPENDITURES:				
Operating expenditures	457,595	512,595	510,450	2,145
Total expenditures	457,595	512,595	510,450	2,145
Excess (deficiency) of revenues over expenditures	(172,595)	(227,595)	(256,231)	(28,636)
OTHER FINANCING SOURCES (USES)				
Transfers in	172,595	172,595	172,595	-
Total other financing sources (uses)	172,595	172,595	172,595	-
Net changes in fund balance Non-GAAP basis	-	(55,000)	(83,636)	(28,636)
Fund balance - beginning	432,634	432,634	432,634	-
Fund balance - ending	\$ 432,634	\$ 377,634	\$ 348,998	\$ (28,636)
Reconciliation of Budgetary Basis to GAAP Basis				
Net change in fund balance - budgetary basis			\$ (83,636)	
Revenue accruals		-		
Expenditure accruals		(1,716)	(1,716)	
Net change in fund balance - GAAP basis			\$ (85,352)	

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, 2014**

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, 2014

Taxes collected for others	Balance 6/30/13	Additions	Reductions	Balance 06/30/14
ASSETS				
Cash and cash equivalents	\$ 715	\$ 1,566,739	\$ 1,567,326	\$ 128
Taxes receivable	<u>294,400</u>	<u>1,335,252</u>	<u>1,297,668</u>	<u>331,984</u>
Total assets	<u>\$ 295,115</u>	<u>\$ 2,901,991</u>	<u>\$ 2,864,994</u>	<u>\$ 332,112</u>
LIABILITIES				
Taxes paid in advance	\$ 715	\$ 1,566,739	\$ 1,567,326	\$ 128
Due to taxing entities	<u>294,400</u>	<u>1,335,252</u>	<u>1,297,668</u>	<u>331,984</u>
Total liabilities	<u>\$ 295,115</u>	<u>\$ 2,901,991</u>	<u>\$ 2,864,994</u>	<u>\$ 332,112</u>

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

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO, COUNTY OF HIDALGO

SCHEDULE OF DEPOSITORIES
JUNE 30, 2014

	Type	Amount Per Bank	Plus DIT	Outstanding Checks	Balance Per Books
Western Bank					
Operating	CK	\$ 3,684,984	\$ 110	\$ 153,372	\$ 3,531,722
Money market	MM	1,971,040	-	60,540	1,910,500
HC Jail Trust	CK	3,196	-	-	3,196
Tax suspense	CK	2,498	-	-	2,498
Payroll tax	CK	1,087	-	-	1,087
Sheriff's Bond	CK	2,137	-	-	2,137
Sheriff's Investigation	CK	21,767	-	-	21,767
Warrant Account	CK	291,389	-	28	291,361
CDBG	CK	55,700	-	-	55,700
P Card	CK	1,050	-	-	1,050
Time Deposit	CD	500,000	-	-	500,000
Overnight	MM	102,412	-	2,035	100,377
Western Bank Total		<u>6,637,260</u>	<u>110</u>	<u>215,975</u>	<u>6,421,395</u>
Sub-total		6,637,260	110	215,975	6,421,395
NM State Investment Pool		102,035	-	2,035	100,000
Petty Cash		<u>300</u>	<u>-</u>	<u>-</u>	<u>300</u>
Total		<u>\$ 6,739,595</u>	<u>\$ 110</u>	<u>\$ 218,010</u>	<u>\$ 6,521,695</u>
Fiduciary Funds		<u>\$ 128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128</u>

Reconciliation to financial statements:

Cash and cash equivalents	\$ 4,110,818
Investments	2,410,877
Agency funds	<u>128</u>
Total Cash and Investments, Primary Government	<u>\$ 6,521,823</u>

Type:

CK = Checking

MM = Money Market

CD = Certificate of Deposit

	<u>Western</u>
Amount held in bank June 30, 2014	6,739,595
Less FDIC Insurance	<u>(250,000)</u>
Uninsured Public Funds	6,489,595
50% Collateral Requirement (Section 6-10-17 NMSA-1978)	3,244,798
Pledged Securities	<u>3,528,026</u>
Over (Under) Collateralized	<u>\$ 283,228</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, 2014**

Description of Pledged Collateral	Amount	Name and Location of Safekeeper
New Mexico issued securities (at face value)		
Carrizozo NM CUSIP#144627CZ7, Maturing 08/1/15	\$ 100,000	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, Maturing 8/15/17	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
Socorro Cnty NM CUSIP#833679CD3, Maturing 8/1/26	390,000	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	<u>310,000</u>	Federal Home Loan Bank of Dallas
Total New Mexico issued securities	\$ 3,420,000	Federal Home Loan Bank of Dallas
Federal securities (at market value)		
FNMA REMIC CUSIP#312906XG0, Maturing 8/15/21	\$ 20,806	Federal Home Loan Bank of Dallas
FNMA CUSIP#31391HGMO, Maturing 9/25/32	<u>87,220</u>	Federal Home Loan Bank of Dallas
Total federal securities	<u>\$ 108,026</u>	Federal Home Loan Bank of Dallas
Total pledged securities	<u>\$ 3,528,026</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, 2014

Property taxes receivable, beginning	\$ 629,205
Changes to tax roll:	
Net taxes charged to treasurer for fiscal year	2,882,901
Adjustments:	
Increases in taxes receivables	1,179,800
Charge off of taxes receivables	<u>(936,537)</u>
Total receivables prior to collections	3,755,369
Collections for fiscal year ended June 30, 2014	<u>(3,103,928)</u>
Property taxes receivable, ending	<u>\$ 651,441</u>

Property taxes receivable by years:

2004	\$ 1,556
2005	1,872
2006	1,403
2007	37,773
2008	39,153
2009	40,814
2010	41,290
2011	59,533
2012	191,338
2013	<u>236,709</u>
	<u>\$ 651,441</u>

Property tax receivables are reported in the financial statements as follows:

Statement of Net Position	\$ 319,457
Statement of Fiduciary Assets and Liabilities - Agency Funds	<u>331,984</u>
	<u>\$ 651,441</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, 2014**

	Taxes Receivable at 7/1/13	Net Taxes Charged to Treasurer	Collections	Taxes Receivable at 6/30/14	Distributions
Municipalities	\$ 11,950	\$ 114,952	\$ 103,991	\$ 22,911	\$ 103,991
Hidalgo County	331,798	1,790,912	1,782,871	339,839	1,782,871
State of New Mexico	42,291	252,414	251,729	42,976	251,729
Schools	<u>243,166</u>	<u>967,886</u>	<u>965,337</u>	<u>245,715</u>	<u>965,337</u>
	<u>\$ 629,205</u>	<u>\$ 3,126,164</u>	<u>\$ 3,103,928</u>	<u>\$ 651,441</u>	<u>\$ 3,103,928</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, 2014

Agency	Property Taxes Levied	Collected in Current Year 6/30/14	Collected To Date	Distributed in Current Year 6/30/14	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
Municipalities								
City of Lordsburg	2004 \$ 59,661	\$ -	\$ 60,967	\$ -	\$ 59,620	\$ -	\$ -	41
City of Lordsburg	2005 58,176	-	59,093	-	58,126	-	-	50
City of Lordsburg	2006 61,707	-	61,300	-	61,653	-	-	54
City of Lordsburg	2007 66,064	-	65,222	-	65,162	-	-	902
City of Lordsburg	2008 70,265	-	69,650	-	69,342	-	-	923
City of Lordsburg	2009 67,391	-	68,183	-	66,381	-	-	1,010
City of Lordsburg	2010 67,296	-	67,019	-	66,002	-	-	1,294
City of Lordsburg	2011 70,884	-	68,023	-	67,983	-	-	2,901
City of Lordsburg	2012 71,736	-	65,510	-	65,508	-	-	6,228
City of Lordsburg	2013 103,991	103,991	94,500	103,991	94,500	97	80	9,508
Total City of Lordsburg	\$ 697,171	\$ 103,991	\$ 679,467	\$ 103,991	\$ 674,277	\$ 97	\$ 80	\$ 22,911
Total Municipalities	\$ 697,171	\$ 103,991	\$ 679,467	\$ 103,991	\$ 679,467	\$ 97	\$ 80	\$ 22,911

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, 2014

Agency	Property Taxes Levied	Collected in Current Year 6/30/14	Collected To Date	Distributed in Current Year 6/30/14	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
Hidalgo County								
General ad valorem	\$ 1,417,653	\$ 207	\$ 1,448,804	\$ 207	\$ 1,448,804	\$ 33,011	\$ 1,132	\$ 728
General ad valorem	1,385,870	303	1,407,911	303	1,407,911	23,461	566	854
General ad valorem	1,472,494	676	1,463,496	676	1,463,496	9,160	17,569	589
General ad valorem	1,586,512	1,843	1,568,324	1,843	1,568,324	9,126	7,791	19,523
General ad valorem	1,674,815	1,636	1,661,849	1,636	1,661,849	37,197	29,954	20,209
General ad valorem	1,604,065	3,113	1,625,859	3,113	1,625,859	44,730	2,102	20,834
General ad valorem	1,601,029	11,750	1,606,016	11,750	1,606,016	24,859	1,003	18,869
General ad valorem	1,699,690	44,820	1,676,193	44,820	1,676,193	257,062	255,610	24,949
General ad valorem	1,714,468	62,737	1,628,379	62,737	1,628,379	217,822	211,658	92,253
General ad valorem	1,792,604	1,655,070	1,655,070	1,655,070	1,651,752	319	319	140,852
Total General ad valorem	\$ 15,949,200	\$ 1,782,155	\$ 15,741,901	\$ 1,782,155	\$ 15,738,583	\$ 656,747	\$ 527,704	\$ 339,660
Non-rendition fees	\$ 55	-	\$ 67	-	\$ 67	\$ 19	\$ 7	-
Non-rendition fees	74	-	216	-	216	142	-	-
Non-rendition fees	66	-	66	-	66	-	-	-
Non-rendition fees	305	-	516	-	516	266	55	-
Non-rendition fees	575	-	73	-	73	47	549	-
Non-rendition fees	64	-	305	-	305	241	-	-
Non-rendition fees	118	1	136	1	136	18	-	58
Non-rendition fees	693	-	635	-	635	-	-	121
Non-rendition fees	715	715	594	715	594	-	-	-
Total Non-rendition fees	\$ 2,665	\$ 716	\$ 2,608	\$ 716	\$ 2,608	\$ 733	\$ 611	\$ 179
Total Hidalgo County	\$ 15,951,865	\$ 1,782,871	\$ 15,744,509	\$ 1,782,871	\$ 15,741,191	\$ 657,480	\$ 528,315	\$ 339,839

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, 2014

Agency	Property Taxes Levied	Collected in Current Year 6/30/14	Collected To Date	Distributed in Current Year 6/30/14	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
State of New Mexico								
Cattle	\$ 16,513	\$ -	\$ 16,230	\$ -	\$ 16,230	\$ 99	\$ 71	\$ 311
Cattle	21,299	-	20,929	-	20,929	21	-	391
Cattle	24,727	-	24,603	-	24,603	27	151	-
Cattle	31,709	-	30,290	-	30,290	4,665	6,084	-
Cattle	32,973	-	34,613	-	34,613	3,985	2,345	-
Cattle	23,451	-	32,980	-	32,980	9,690	88	73
Cattle	23,667	-	23,372	-	23,372	52	50	297
Cattle	27,168	-	26,857	-	26,857	-	110	201
Cattle	34,023	-	33,479	-	33,479	-	10	534
Cattle	39,165	39,165	37,720	39,165	37,713	-	-	1,452
Total Cattle	\$ 274,695	\$ 39,165	\$ 281,073	\$ 39,165	\$ 281,066	\$ 18,539	\$ 8,909	\$ 3,259
Equines								
Equines	\$ 1,710	\$ -	\$ 1,681	\$ -	\$ 1,681	\$ -	\$ 3	\$ 26
Equines	1,669	-	1,616	-	1,616	-	28	25
Equines	1,981	-	1,953	-	1,953	-	5	23
Equines	1,634	-	1,615	-	1,615	-	19	-
Equines	871	-	861	-	861	-	2	8
Equines	927	-	892	-	892	-	12	23
Equines	909	-	876	-	876	-	14	19
Equines	953	-	870	-	870	-	15	68
Equines	782	782	667	782	667	3	-	118
Total Equines	\$ 11,436	\$ 782	\$ 11,031	\$ 782	\$ 11,031	\$ 3	\$ 98	\$ 310

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, 2014

Agency	Property Taxes Levied	Collected in Current Year 6/30/14	Collected To Date	Distributed in Current Year 6/30/14	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
Bison	\$ 347	\$ -	\$ 347	\$ -	\$ 347	\$ -	\$ -	\$ -
Bison	288	288	288	288	288	-	-	-
Total Bison	\$ 635	\$ 288	\$ 635	\$ 288	\$ 635	\$ -	\$ -	\$ -
Sheep	\$ 17	\$ -	\$ 17	\$ -	\$ 17	\$ -	\$ -	\$ -
Sheep	15	-	15	-	15	-	-	-
Sheep	18	-	18	-	18	-	-	-
Sheep	12	-	12	-	12	-	-	-
Sheep	10	-	10	-	10	-	-	-
Sheep	10	-	10	-	10	-	-	-
Sheep	19	-	19	-	19	-	-	-
Sheep	44	-	30	-	30	-	-	14
Sheep	46	-	46	-	46	-	-	-
Sheep	28	28	28	28	28	-	-	-
Total Sheep	\$ 219	\$ 28	\$ 205	\$ 28	\$ 205	\$ -	\$ -	\$ 14

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, 2014

Agency	Property Taxes Levied	Collected in Current Year 6/30/14	Collected To Date	Distributed in Current Year 6/30/14	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
Dairy	\$ 5	\$ -	\$ 5	\$ -	5	\$ -	\$ -	\$ -
Dairy	2	-	2	-	2	-	-	-
Dairy	5	-	5	-	5	-	-	-
Dairy	2	-	2	-	2	-	-	-
Dairy	2	-	2	-	2	-	-	-
Dairy	-	-	-	-	-	-	-	-
Dairy	9	-	9	-	9	-	-	-
Dairy	9	-	9	-	9	-	-	-
Dairy	2	-	2	-	2	-	-	-
Dairy	11	11	11	11	11	-	-	-
Total Dairy	\$ 47	\$ 11	\$ 47	\$ 11	47	\$ -	\$ -	\$ -
Goats	\$ 9	-	\$ 9	-	9	\$ -	\$ -	\$ -
Goats	13	-	13	-	13	-	-	-
Goats	15	-	15	-	15	-	-	-
Goats	28	-	28	-	28	-	-	-
Goats	23	-	23	-	23	-	-	-
Goats	11	-	11	-	11	-	-	-
Goats	21	-	21	-	21	-	-	-
Goats	22	-	22	-	22	-	-	-
Goats	26	-	26	-	26	-	-	-
Goats	32	32	32	32	32	-	-	-
Total Goats	\$ 200	\$ 32	\$ 200	\$ 32	200	\$ -	\$ -	\$ -

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, 2014

Agency	Property Taxes Levied	Collected in Current Year 6/30/14	Collected To Date	Distributed in Current Year 6/30/14	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
State Operational	\$ 124,229	\$ -	\$ 126,931	\$ -	\$ 126,931	\$ 2,864	\$ 99	\$ 63
State Operational	144,607	-	146,902	-	146,902	2,443	59	89
State Operational	160,380	-	159,404	-	159,404	998	1,910	64
State Operational	164,186	-	162,312	-	162,312	940	803	2,011
State Operational	176,669	-	175,300	-	175,300	3,924	3,161	2,132
State Operational	155,669	-	157,784	-	157,784	4,340	203	2,022
State Operational	214,704	-	215,324	-	215,324	3,263	132	2,511
State Operational	199,943	-	197,171	-	197,171	29,729	29,562	2,939
State Operational	200,925	-	190,804	-	190,804	25,696	24,988	10,829
State Operational	211,423	211,423	195,070	195,070	195,070	417	37	16,733
Total State Operational	\$ 1,752,735	\$ 211,423	\$ 1,727,002	\$ 195,070	\$ 1,727,002	\$ 74,614	\$ 60,954	\$ 39,393
Total State of New Mexico	\$ 2,039,967	\$ 251,729	\$ 2,020,193	\$ 235,376	\$ 2,020,186	\$ 93,156	\$ 69,961	\$ 42,976

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, 2014

Agency	Property Taxes Levied	Collected in Current Year 6/30/14	Collected To Date	Distributed in Current Year 6/30/14	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
Schools (SD #1 & SD #6)								
Debt service	\$ 516,890	\$ 9	\$ 531,145	\$ 9	\$ 531,145	\$ 14,853	\$ 397	\$ 201
Debt service	642,851	13	656,090	13	656,090	13,686	124	323
Debt service	680,373	29	674,640	29	674,640	4,142	9,230	645
Debt service	736,109	78	725,409	78	725,409	2,080	337	12,443
Debt service	776,201	69	766,514	69	766,514	18,910	15,949	12,648
Debt service	736,299	130	741,618	130	741,618	19,162	376	13,467
Debt service	766,908	492	764,444	492	764,444	14,164	228	16,400
Debt service	802,860	1,876	768,067	1,876	768,067	11,552	10,924	35,421
Debt service	787,884	2,613	721,506	2,613	721,506	9,502	9,218	66,662
Debt service	74,749	74,749	69,023	69,023	69,023	153	13	5,866
Total Debt service	\$ 6,521,124	\$ 80,058	\$ 6,418,456	\$ 74,332	\$ 6,418,456	\$ 108,204	\$ 46,796	\$ 164,076
Debt Service	\$ 241,567	\$ 74	\$ 246,862	\$ 74	\$ 246,862	\$ 5,571	\$ 201	\$ 75
Debt Service	234,352	160	238,180	160	238,180	3,960	108	24
Debt Service	248,522	380	247,269	380	247,269	1,546	2,978	(179)
Debt Service	267,155	1,076	264,858	1,076	264,858	1,507	1,285	2,519
Debt Service	282,668	945	281,149	945	281,149	6,278	5,068	2,729
Debt Service	270,728	1,556	275,437	1,556	275,437	7,549	367	2,473
Debt Service	270,292	6,061	275,228	6,061	275,228	4,230	178	(884)
Debt Service	288,685	23,667	300,764	23,667	300,764	150,898	150,491	(11,672)
Debt Service	291,047	24,530	290,334	24,530	290,334	128,212	124,697	4,228
Debt Service	826,830	826,830	766,513	826,830	766,513	1,916	174	62,059
Total Debt Service	\$ 3,221,846	\$ 885,279	\$ 3,186,594	\$ 885,279	\$ 3,186,594	\$ 311,667	\$ 285,547	\$ 61,372

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, 2014.

Agency	Property Taxes Levied	Collected in Current Year 6/30/14	Collected To Date	Distributed in Current Year 6/30/14	Distributed to Date	Increase in Taxes	Decrease in Taxes	County Receivable at Year End
Capital Imp.	\$ 80,626	\$ -	\$ 81,587	\$ -	\$ 81,587	\$ 1,272	\$ 200	\$ 111
Capital Imp.	79,279	-	79,773	-	79,773	648	38	116
Capital Imp.	81,092	-	81,087	-	81,087	387	185	207
Capital Imp.	87,798	-	87,523	-	87,523	153	53	375
Capital Imp.	100,980	-	100,798	-	100,798	5,588	5,266	504
Capital Imp.	100,399	-	99,794	-	99,794	299	50	854
Capital Imp.	91,394	-	89,343	-	89,343	785	33	2,803
Capital Imp.	94,994	-	90,259	-	90,259	39	13	4,761
Capital Imp.	98,967	-	88,456	88,456	88,456	25	-	10,536
Capital Imp.	-	-	-	-	-	-	-	-
Total Capital Imp.	\$ 815,529	\$ -	\$ 798,620	\$ 88,456	\$ 798,620	\$ 9,196	\$ 5,838	\$ 20,267
Total Schools	\$ 10,558,499	\$ 963,337	\$ 10,403,670	\$ 1,048,067	\$ 10,403,670	\$ 429,067	\$ 338,181	\$ 245,715
Total	\$ 29,247,502	\$ 3,103,928	\$ 28,847,839	\$ 3,170,305	\$ 28,844,514	\$ 1,179,800	\$ 936,537	\$ 651,441

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

STATE OF NEW MEXICO, COUNTY OF HIDALGO

**JOINT POWERS AGREEMENTS
JUNE 30, 2014**

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, 2013- June 30, 2014
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, 2014**

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, 2013- June 30, 2014
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, 2013 to June 30, 2014
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, 2014**

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, 2013 - June 30, 2014
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, 2014**

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	\$ 1,137,107	\$ 610,208
US Department of Homeland Security, passed through New Mexico Department of Public Safety	97.042	Safe Border - Emergency Management	\$ 80,000	\$ 45,422
US Department of Housing and Urban Development, passed through NM Department of Finance and Administration	14.218	CDBG	<u>\$ 560,909</u>	<u>\$ 32,696</u>
			<u>\$ 2,202,438</u>	<u>\$ 688,326</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

**INDEPENDENT AUDITORS' 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2014, and have issued our report thereon dated November 25, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies (2014-001, 2014-002).

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*.

The County's Response to Findings

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

Purpose of this Report

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



El Paso, Texas
November 25, 2014

**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

Report on Compliance for Each Major Federal Program

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, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Hidalgo's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County of Hidalgo's compliance.

Opinion on Each Major Federal Program

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, 2014.

Report on 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

White + Samaniego + Campbell, LLP

El Paso, Texas
November 25, 2014

STATE OF NEW MEXICO, COUNTY OF HIDALGO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2014

Section 1 - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

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: Unmodified

- 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

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, 2014**

Section II - Financial Statements Findings

PRIOR YEAR FINDINGS

None

Section III - CURRENT YEAR FINDINGS

2014-001 Bank Accounts Not Recorded on General Ledger

2014-002 Late Audit Report

Bank Accounts Not Recorded on General Ledger (2014-001) - Significant Deficiency

CONDITION	Several bank accounts totaling \$59,946, have not been recorded on the financial statements of the County. The accounts were not reported to the Treasurer's Office or made known to the preparer of the financial statements.
CRITERIA	All bank accounts should be reconciled by their respective Department monthly upon receiving the bank statements. This is to comply with 6-6-3 and 6-10-2 NMSA 1978.
CAUSE	The Treasurer's Office was not aware of several bank accounts for the County due to no bank statements and reconciliations being provided by various Departments.
EFFECT	County assets may be understated and may not be properly safeguarded.
RECOMMENDATION	All bank accounts of the County should be reconciled by the respective Departments and recorded by the County Treasurer's Office in order to ensure that all accounts are safeguarded and accounted for.
RESPONSE	

Late Audit Report (2014-002) - Significant Deficiency

CONDITION	The required submission date of the audit report for the fiscal year ended June 30, 2014 to the New Mexico State Auditor was November 17, 2014. The June 30, 2014 audited financial statements were submitted on November 25, 2014.
CRITERIA	New Mexico State Statutes Section 12-6-12 requires the state auditor to promulgate reasonable regulations necessary to carry out the duties of the office. NMAC 2-2-2-9 requires that Counties submit the audit report by November 15 following the end of each fiscal year at June 30.
CAUSE	The exit conference was held on November 12, 2014; however, two key attendees could not attend and requested to hold the submission until a later meeting could be held on November 19, 2014.
EFFECT	Delays in the submission of the audit reports affecting the reporting of financial information to other state agencies and governments.
RECOMMENDATION	The County should work in conjunction with the auditors to ensure that the audit is submitted timely. The County should work with its management to determine which attendees should attend the exit conference and schedule appropriately.
RESPONSE	The County will work with its management to determine which attendees should attend the exit conference and schedule appropriately to ensure that future audits are submitted timely.

**STATE OF NEW MEXICO, COUNTY OF HIDALGO
EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2014**

An exit conference was held on November 12, 2014 in a closed meeting with White + Samaniego + Campbell, LLP, with the following County officials:

County of Hidalgo

Richard Chaires
Tisha Green
Lucy Mendoza
Dolly Ward
Jamie Green
Patsy Camacho

County Commissioner
County Manager's Office
Treasurer's Office
Detention Center
Detention Center
Sheriff's Department

White + Samaniego + Campbell, LLP

Roxie Samaniego, CPA

Partner

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.