



KRIEGEL/GRAY/SHAW & CO., P.C.

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STATE OF NEW MEXICO

COUNTY OF LUNA

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2013

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COUNTY OF LUNA
OFFICIAL ROSTER
JUNE 30, 2013

ELECTED OFFICIALS

<u>Name</u>	<u>Title</u>
<i>R. Javier Diaz</i>	<i>Chairman</i>
<i>Joe L. "Oleo" Milo, Jr.</i>	<i>Member</i>
<i>J. Jay Spivey</i>	<i>Member</i>
<i>Andrea Rodriguez</i>	<i>County Clerk</i>
<i>Dora Madrid</i>	<i>County Treasurer</i>
<i>Delilah Rojo</i>	<i>County Assessor</i>
<i>Raymond Cobos</i>	<i>County Sheriff</i>
<i>Kelly Kuenstler</i>	<i>County Manager</i>
<i>Martin Miller</i>	<i>County Road Superintendent</i>



INDEPENDENT AUDITORS' REPORT

Mr. Hector H. Balderas, State Auditor and
The Mayor and County Commissioners
County of Luna
Deming, 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 Luna, as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the County of Luna's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County of Luna's nonmajor governmental, nonmajor enterprise, and the budgetary comparisons for the major capital project fund, major proprietary funds, and all 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, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Mr. Hector H. Balderas, State Auditor and
The Mayor and County Commissioners
County of Luna
Deming, New Mexico
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Luna, as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and nonmajor enterprise funds of the County of Luna as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital projects fund, major proprietary funds, and all nonmajor funds for the year then ended in accordance 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 management's discussion and analysis on pages 5 and 13 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 County of Luna's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of federal awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Mr. Hector H. Balderas, State Auditor and
The Mayor and County Commissioners
County of Luna
Deming, New Mexico
Page Three

The *Schedule of Expenditures of federal awards and other supplementary information required by 2.2.2 NMAC* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Expenditures and other supplementary information required by 2.2.2 NMAC* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2013 on our consideration of the County of Luna'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 of Luna's internal control over financial reporting and compliance.

Kriegel/Gray/Shaw & Co., P.C.

Kriegel/Gray/Shaw & Co., P.C.
Las Cruces, New Mexico
November 6, 2013

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

As management of County of Luna, we offer readers of County of Luna's financial statements this narrative overview and analysis of the financial activities of County of Luna for the fiscal year-ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the financial statements of County of Luna and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of County of Luna exceeded its liabilities at the close of the most recent fiscal year by \$45,665,957 (*net position*). Of this amount, \$17,937,224 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Revenues for governmental activities decreased by \$2,101,180 from the prior year.
- Net expenditures for governmental activities decreased \$1,451,652 from the prior year.
- As of June 30, 2013, the County's governmental funds reported combined ending fund balances of \$17,333,889.
- At the close of the current fiscal year, unassigned balance of the general fund was \$6,235,318.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to County of Luna's basic financial statements. County of Luna's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of County of Luna finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of County of Luna'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 County of Luna 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 County of Luna 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 County of Luna include general government public safety, public works, and health and welfare. The business-type activity of the County includes a detention facility.

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

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. County of Luna, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of County of Luna 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 funds 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*.

County of Luna maintains 27 individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Fund, and County Maintenance Fund, all of which are considered to be major funds. Data from the other 24 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.

County of Luna 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 County Maintenance 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 used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses proprietary funds to account for the Detention Center, the Entertainment Complex, the Commissary, and the Columbus Import/Export Stockyards of the County.

Fiduciary Funds. Fiduciary funds are used to account 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 County of Luna's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

County of Luna fiduciary funds account for the collection of property taxes and special fees at the detention facility 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.

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.

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

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 County of Luna, net position increased from the prior year by \$1,320,100 to total \$45,665,957 at the close of the current fiscal year.

A large portion of County of Luna's net position represents the County's investment of \$24,467,234 (net of accumulated depreciation) in capital assets (e.g., land improvements, buildings, infrastructure and machinery and equipment); less any related outstanding debt used to acquire those assets. County of Luna uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, County of Luna'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.

The balance of *unrestricted net position* \$17,937,224 may be used to meet the government's ongoing obligations to citizens and creditors.

Analysis of Changes in Net Position

The County's net position, overall, increased by \$1,320,100 during the current fiscal year. This net increase is explained below.

Governmental Activities. During the fiscal year, revenues in the Governmental Activities decreased due to a decrease in state shared taxes but showed an increase in property taxes and charges for services. Total Expenditures for Governmental Activities decreased during the year and total revenues exceeded total expenditures by \$927,422. Property taxes and state-shared taxes contributed \$13,347,960 to fund the \$11,343,675 net program expense associated with governmental activities.

Governmental revenues, the majority of which are taxes, are not directly associated with any governmental function. Property tax revenue and state shared taxes decreased 2.2% as compared to the prior year.

Investment earnings decreased by 123% in the fiscal year ended June 30, 2013. The primary cause for this decrease was a decline in the market value of the investment portfolio.

Business-Type Activities. Business-type activities increased the County's net position by \$392,678. The key element of this increase was due to a transfer in from governmental activities. Detention expenses increased slightly by \$5,280,151.

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds. The focus of County of Luna's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable resources*. Such information is useful in assessing County of Luna's financing requirements. In particular, *unassigned 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, Capital Project Funds, and Debt Service Funds.

As of the end of the current fiscal year, County of Luna's governmental funds reported combined ending fund balances of \$17,733,889, an increase of \$229,677 from the prior year. The increase is primarily due to a concerted effort to control general fund expenditures even as revenues decreased.

Revenues for governmental functions overall totaled \$18,820,968, in the fiscal year ended June 30, 2013, which represents a decrease of \$228,629 from the fiscal year ended June 30, 2012, due to significant decreases in state shared taxes. Expenditures for governmental functions totaled \$17,797,178. This was a decrease of \$338,109 from the fiscal year ended June 30, 2012 resulting from a combination of increased public safety and health and welfare expenditures and a decrease in general government expenditures. In the fiscal year ended June 30, 2013, revenues for governmental functions exceeded expenditures by \$1,023,790.

The General Fund is the chief operating fund of County of Luna. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$6,235,318. The fund balance of County of Luna's General Fund decreased by \$408,447 during the current fiscal year. This decrease is primarily due to a decrease in state shared tax revenues.

The Road Fund has total fund balance of \$1,057,845. The net increase in fund balance during the current year in the Road Fund was \$147,095. This increase is due primarily to the receipt of loan proceeds from NMFA.

The County Maintenance Fund has a total fund balance of \$5,930,467. The net decrease in fund balance during the current year in the County Maintenance Fund was \$123,198. This decrease is due to a reduction of transfers in from other funds and a continuation of expenditures greater than revenues.

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 total unrestricted net position for the Proprietary Funds was \$225,191. The total increase in net position for the Proprietary Funds was \$392,678. The factors concerning the finances of these funds have been addressed previously in the discussion of the County's business-type activities,

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.

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Budgetary Highlights

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. County of Luna 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. County priorities are well defined through this process.

General Fund Budgetary Highlights. The General Fund accounts for all of the general services provided by the County of Luna.

The County has found it necessary to modify the budget at various times throughout the fiscal year. This is done with resolutions of the Board of County Commissioners. The following chart shows the adjustments for the year.

Type	Original Budget	Final Budget	Modification	Reason
General Government	\$4,568,852	\$4,691,300	\$122,448	To provide for additional expenditures
Public Safety	4,257,072	4,305,267	48,195	To provide for additional expenditures
Public Works	761,078	761,078	0	
Capital Outlay	187,500	184,755	2,745	To reclassify budgeted expenditures to other functions
Totals	\$9,774,502	\$9,942,400	\$173,388	

Budget and Actual Revenue by Source – General Fund

General government expenditures include all administrative functions of the County, which include: County Commissioners, Administration, Finance, Maintenance, Public Safety, and Road Repairs.

Capital Asset and Debt Administration

Capital Assets. County of Luna's capital assets for its governmental and business-type activities as of June 30, 2013 amount to \$34,820,057 (net of accumulated depreciation). Capital assets include land, 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 \$563,178 for governmental activities. The total decrease in business-type capital assets (excluding accumulated depreciation) for the current fiscal year was \$112,330.

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Capital Assets Net of Depreciation
June 30, 2013

	Governmental Activities	Business-Type Activities	Totals
Land and Construction in Progress	\$6,246,513	\$719,714	\$6,966,227
Buildings and Improvements	12,561,718	12,134,455	24,696,173
Equipment and Furnishings	2,804,751	352,906	3,157,657
<i>Capital Assets, net of Accumulated Depreciation</i>	\$21,612,982	\$13,207,075	\$34,820,057

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

The Statement of Net Position shows the Net investment in Capital Assets-Governmental Funds in the amount of \$11,260,159. This investment includes the land, buildings, land and building improvements, equipment, construction in progress, and all applicable debt service. The total shows an increase in capital assets of \$25,633 from the prior fiscal year. At fiscal year end, County of Luna continued to have a substantial amount of construction projects in progress.

The most significant construction project in progress at year end was the Port of Entry at Columbus funded with a GSA federal contract.

The additions in business-type activities total \$388,661 of Equipment and Furnishings.

The County's debt increased \$537,545 resulting from a new loan from NMFA for the purchase of graders. Additional information on the County's debt can be found in Note 6.

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:

	Governmental Activities	Business-type Activities	Balance as of June 30, 2013
Net Value of Capital Assets	\$21,612,982	\$13,207,075	\$34,820,057
Long-Term Debt:			
Judicial Complex Bond 2007A	3,662,256	0	3,662,256
Entertainment Center Bond 2007B	5,865,258	0	5,865,258
NMFA Loan	825,309	0	825,309
<i>Total investment in Capital Assets, net of Related Debt</i>	\$11,260,159	\$13,207,075	\$24,467,234

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Comparative Statements

Presented below are a Comparative Condensed Statement of Activities and a Comparative Statement of Net Position. The County's Business-Type Activities, including the County of Luna Detention Center, the Entertainment Complex and the Columbus Livestock Import/Export Stockyards added \$392,678 to the County's net position at the end of fiscal year 2013. Total Revenue generated by Governmental activities and Business-type activities in the County in 2013 was \$1,052,233 more than those activities generated in 2012. The primary cause of this increase in revenue was an increase in revenue generated from business-type activities in charges for services. Expenses for the County's business type operations increased during the fiscal year, still resulting in an increase in net position for the combined operations during the fiscal year.

Condensed Comparative Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2013	2012 (restated)	2013	2012	2013	2012 (restated)
Revenues:						
Program Revenues:						
Charges for services	\$431,536	\$421,196	\$5,410,912	\$4,022,861	\$5,842,448	\$4,444,057
Operating grants and contributions	4,792,263	4,766,883	4,000	0	4,796,263	4,766,883
Capital grants and contributions	304,437	455,834	0	0	304,437	455,834
General Revenue:						
Property taxes	9,531,888	9,185,241	0	0	9,531,888	9,185,241
State shared taxes	3,816,072	4,465,015	0	0	3,816,072	4,465,015
Other income	592,941	592,527	119,258	41,517	712,199	634,044
Transfers	(1,669,804)	13,817	1,669,804	(13,817)	0	0
<i>Total revenues</i>	<u>17,799,333</u>	<u>19,900,513</u>	<u>7,203,974</u>	<u>4,050,561</u>	<u>25,003,307</u>	<u>23,951,074</u>
Expenses:						
General Government	4,679,031	5,800,585	0	0	4,679,031	5,800,585
Public Safety	6,139,004	5,434,439	0	0	6,139,004	5,434,439
Public Works	3,044,993	3,399,915	0	0	3,044,993	3,399,915
Health and Welfare	2,271,818	3,024,189	0	0	2,271,818	3,024,189
Culture and Recreation	238,992	102,755	0	0	238,992	102,755
Interest on long-term debt	498,073	561,680	0	0	498,073	561,680
Business-Type activities	0	0	6,811,296	5,482,819	6,811,296	5,482,819
<i>Total expenses</i>	<u>16,871,911</u>	<u>18,323,563</u>	<u>6,811,296</u>	<u>5,482,819</u>	<u>23,683,207</u>	<u>23,806,382</u>
<i>Change in net position</i>	927,422	1,576,950	392,678	(1,432,258)	1,320,100	144,692
Net position, beginning of year	31,306,269	29,729,319	13,039,588	14,471,846	44,345,857	44,201,165
<i>Net position, end of year</i>	<u>\$32,233,691</u>	<u>\$31,306,269</u>	<u>\$13,432,266</u>	<u>\$13,039,588</u>	<u>\$46,665,957</u>	<u>\$44,345,857</u>

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Condensed Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012 (restated)	2013	2012	2013	2012 (restated)
Assets:						
Cash and cash equivalents	\$2,092,743	\$1,080,990	\$536,739	\$52,862	\$2,629,482	\$1,133,852
Investments	12,524,619	13,836,409	0	0	12,524,619	13,836,409
Receivables:						
Property taxes	4,147,022	3,196,216	0	0	4,147,022	3,196,216
Account	87,977	49,493	316,328	0	404,305	49,493
Grant	836,025	571,753	0	0	836,025	571,753
Other	0	0	0	0	0	0
Internal balances	359,381	411,016	(359,381)	(411,016)	0	0
Due from other governments	513,986	708,635	117,538	409,341	631,524	1,117,976
Inventory	130,238	135,212	0	0	130,238	135,212
Restricted cash	1,410,559	1,087,731	0	0	1,410,559	1,087,731
Due from external sources	0	0	11,396	3,684	11,396	3,684
Capital assets						
Land and Assets net of accumulated depreciation	21,612,982	21,049,804	13,207,075	13,319,405	34,820,057	34,369,209
Total assets	\$43,715,532	\$42,127,259	\$13,829,695	\$13,374,276	\$57,545,227	\$55,501,535
Liabilities and Net Position:						
Accounts payable	\$318,780	\$354,848	\$110,155	\$78,651	\$428,935	\$433,499
Accrued salaries	159,341	133,505	83,599	58,767	242,940	192,272
Non-Current Liabilities:						
Compensated Absences						
Due within one year	0	16,503	203,675	2,386	203,675	18,889
Due after one year	650,897	500,856	0	194,884	650,897	695,740
Loans Payable						
Due within one year	204,566	0	0	0	204,566	0
Due after one year	10,148,257	9,815,278	0	0	10,148,257	9,815,278
Total liabilities	11,481,841	10,820,990	397,429	334,688	11,879,270	11,155,678
Net Position:						
Net investment in capital assets, net of related debt	11,260,159	11,234,526	13,207,075	13,319,405	24,467,234	24,553,931
Restricted for						
Road inventory	130,238	135,212	0	0	130,238	135,212
Debt service	1,464,169	1,271,696	0	0	1,464,169	1,271,696
Other purposes	1,667,092	2,207,822	0	0	1,667,092	2,207,822
Unrestricted	17,712,033	16,457,013	225,191	(279,817)	17,937,224	16,177,196
Total net position	32,233,691	31,306,269	13,432,266	13,039,588	45,665,957	44,345,857
Total liabilities and net position	\$43,715,532	\$42,127,259	\$13,829,695	\$13,374,276	\$57,545,227	\$55,501,535

COUNTY OF LUNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

The County's Total Assets decreased during the fiscal year, as well as total liabilities. Total Net Position increased during the year. The County of Luna's financial position has declined slightly due to the continuing economic downturn being experienced nationwide.

Contingencies

Bonds outstanding as June 30, 2013 consisted of Judicial Complex 2007A, Entertainment Complex 2007B and NMFA Loan. Interest on the bonds is due January 1 and July 1 of each year, and the interest for the NMFA Loan is due semi-annually on May 1 and November 1. For additional information concerning these bonds, see Note 6.

Economic Factors and Next Year's Budgets and Rates

County of Luna has been affected by the same economic forces at play in the national economy. Unemployment in the County is at high levels although gross receipts tax revenues have increased. Management has been prudently cautious in developing the operating budget for the County for fiscal year 2014. The Board of County Commissioners through very careful attention to budget development and strict budget management and expenditure control has been able to provide some funds for capital renewal and replacement in its 2014 fiscal year budget. In fiscal 2014, the County continues a thoroughly review its priorities, staffing, compensation, projects, and programs with a focus on driving efficiency and effectiveness in its operations, resulting in reduced costs for 2014.

Requests for Information

This financial report is designed to provide a general overview of County of Luna's finances for all of 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's Budget Officer, 700 S. Silver, Deming, New Mexico 88030.

COUNTY OF LUNA
STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and cash equivalents	\$2,092,743	\$536,739	\$2,629,482
Investments	12,524,619	0	12,524,619
Receivables:			
Property taxes	4,147,022	0	4,147,022
Grant	836,025	0	836,025
Accounts	87,977	316,328	404,305
Internal balances	359,381	(359,381)	0
Due from other governments	513,986	117,538	631,524
Inventory	130,238	0	130,238
Restricted cash	1,410,559	0	1,410,559
Due from external sources	0	11,396	11,396
Capital Assets:			
Land and assets net of accumulated depreciation	21,612,982	13,207,075	34,820,057
Total assets	\$43,715,532	\$13,829,695	\$57,545,227
LIABILITIES			
Accounts payable	\$318,780	\$110,155	\$428,935
Accrued salaries	159,341	83,599	242,940
Noncurrent Liabilities:			
Compensated absences:			
Due within one year	0	0	0
Due after one year	650,897	203,675	854,572
Loans payable:			
Due within one year	204,566	0	204,566
Due after one year	10,148,257	0	10,148,257
Total liabilities	11,481,841	397,429	11,879,270
NET POSITION			
Net investment in capital assets, net of related debt	11,260,159	13,207,075	24,467,234
Non expendable inventory	130,238	0	130,238
Restricted for:			
Debt service	1,464,169	0	1,464,169
Other purposes	1,667,092	0	1,667,092
Unrestricted	17,712,033	225,191	17,937,224
Total net position	32,233,691	13,432,266	45,665,957
Total liabilities and net position	\$43,715,532	\$13,829,695	\$57,545,227

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in net position		
		Charges for Services	Operating	Capital	Primary Government		Total
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	
Primary Government							
Governmental Activities:							
General government	\$4,679,031	\$338,327	\$0	\$304,437	(\$4,036,267)	\$0	(\$4,036,267)
Public safety	6,139,004	0	3,358,888	0	(2,780,116)	0	(2,780,116)
Public works	3,044,993	0	447,306	0	(2,597,687)	0	(2,597,687)
Health and welfare	2,271,816	93,209	986,069	0	(1,192,540)	0	(1,192,540)
Culture and recreation	238,992	0	0	0	(238,992)	0	(238,992)
Interest on long-term debt	498,073	0	0	0	(498,073)	0	(498,073)
Total governmental activities	16,871,911	431,536	4,792,263	304,437	(11,343,675)	0	(11,343,675)
Business-Type Activities:							
Detention Facility	5,280,151	4,036,709	0	0	0	(1,243,442)	(1,243,442)
Entertainment Complex	1,373,777	1,243,364	4,000	0	0	(126,413)	(126,413)
Columbus Stockyard	135,760	84,398	0	0	0	(51,362)	(51,362)
Commissary	21,608	46,441	0	0	0	24,833	24,833
Total business-type activities	6,811,296	5,410,912	4,000	0	0	(1,396,384)	(1,396,384)
Total primary government	\$23,683,207	\$5,842,448	\$4,796,263	\$304,437	(\$11,343,675)	(\$1,396,384)	(\$12,740,059)

General Revenues

Property taxes	\$9,531,888	\$0	\$9,531,888
State shared taxes	3,816,072	117,538	3,933,610
Interest earnings	(34,157)	1,720	(32,437)
Other income	451,082	0	451,082
Gain on asset disposal	176,016	0	176,016
Transfers in (out)	(1,669,804)	1,669,804	0
Total general revenues	12,271,097	1,789,062	14,060,159
Change in net position	927,422	392,678	1,320,100
Net position, beginning of year, as previously stated	31,867,988	13,039,588	44,907,576
Restatements	(561,719)	0	(561,719)
Net position, beginning of year, as restated	31,306,269	13,039,588	44,345,857
Net position, end of year	\$32,233,691	\$13,432,266	\$45,665,957

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
GOVERNMENTAL FUNDS
BALANCE SHEETS
JUNE 30, 2013

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Road Fund	County Maintenance		
ASSETS					
Cash and cash equivalents	\$194,028	\$0	\$4,600	\$1,894,115	\$2,092,743
Investments	7,572,263	0	4,952,356	0	12,524,619
Receivables:					
Due from other governments	88,377	0	0	425,609	513,986
Taxes receivable	2,856,946	1,272,330	0	17,746	4,147,022
Grants	43,151	0	81,951	710,923	836,025
Accounts receivable	0	0	87,977	0	87,977
Due from other funds	359,381	746,221	809,413	443,307	2,358,322
Inventory	0	130,238	0	0	130,238
Restricted cash and cash equivalents	0	122,698	0	1,287,861	1,410,559
Total assets	\$11,114,146	\$2,271,487	\$5,936,297	\$4,779,561	\$24,101,491
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$139,846	\$21,341	\$5,830	\$151,763	\$318,780
Accrued salaries	118,168	18,585	0	22,588	159,341
Accrued compensated absences	0	0	0	0	0
Bank overdraft	0	0	0	0	0
Interest payable	0	0	0	0	0
Due to other funds	1,921,716	0	0	77,225	1,998,941
Deferred revenue	2,699,098	1,173,716	0	17,726	3,890,540
Total liabilities	4,878,828	1,213,642	5,830	269,302	6,367,602
Fund Balance:					
Nonspendable	0	130,238	0	0	130,238
Restricted	0	0	0	3,131,261	3,131,261
Committed	0	0	0	413,192	413,192
Assigned	0	927,607	5,930,467	965,806	7,823,880
Unassigned	6,235,318	0	0	0	6,235,318
Total fund balance	6,235,318	1,057,845	5,930,467	4,510,259	17,733,889
Total liabilities and fund balance	\$11,114,146	\$2,271,487	\$5,936,297	\$4,779,561	\$24,101,491

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
RECONCILIATION OF THE FUND BALANCE OF GOVERNMENTAL FUNDS
TO GOVERNMENTAL ACTIVITIES NET POSITION
JUNE 30, 2013

FUND BALANCE of Governmental Funds	\$17,733,889
Amounts reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,612,982
Certain assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	3,890,540
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds	(11,003,720)
<hr/> <i>Net position of governmental activities</i>	<hr/> \$32,233,691

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Road Fund	County Maintenance		
REVENUES					
Property taxes/PILT	\$8,011,779	\$697,956	\$0	\$0	\$8,709,735
State shared taxes	1,051,056	997,190	0	1,767,826	3,816,072
Small counties assistance	148,000	0	0	0	148,000
Intergovernmental	460,049	7,267	689	742,911	1,210,916
Charges for services	157,013	12,235	0	262,288	431,536
Interest income	0	0	0	47,422	47,422
Federal grants	50,139	0	400,066	1,283,153	1,733,358
Investment earnings	(21,408)	2,955	(63,126)	0	(81,579)
State grants/sources	54,151	439,146	176,339	1,334,790	2,004,426
Other grants	0	0	0	0	0
Rental income	85,780	0	0	0	85,780
Sale of County property	350,000	0	0	0	350,000
Other income	249,987	892	0	114,423	365,302
<i>Total revenues</i>	10,596,546	2,157,641	513,968	5,552,813	18,820,968
EXPENDITURES					
Current:					
General government	4,162,939	0	(35,413)	166,071	4,293,597
Public safety	3,864,786	0	0	1,879,590	5,744,376
Public works	702,968	2,104,683	0	48,207	2,855,858
Health and welfare	0	0	0	2,069,716	2,069,716
Culture and recreation	0	0	0	236,282	236,282
Debt Service					
Principal	0	0	0	287,764	287,764
Interest expense	0	0	0	548,455	548,455
Capital outlay	88,718	781,554	694,487	196,371	1,761,130
<i>Total expenditures</i>	8,819,411	2,886,237	659,074	5,432,456	17,797,178
<i>Excess (deficiency) of revenues over expenditures</i>	1,777,135	(728,596)	(145,106)	120,357	1,023,790
Other Financing Sources (Uses):					
Loan proceeds	0	875,691	0	0	875,691
Operating transfers in (out)	(2,185,582)	0	21,908	882,531	(1,281,143)
Capital transfers in (out)	0	0	0	(388,661)	(388,661)
<i>Total other financing sources (uses)</i>	(2,185,582)	875,691	21,908	493,870	(794,113)
<i>Net changes in fund balances</i>	(408,447)	147,095	(123,198)	614,227	229,677
Fund balance - beginning of year	6,643,765	910,750	6,053,665	3,896,032	17,504,212
Fund balance - end of year	\$6,235,318	\$1,057,845	\$5,930,467	\$4,510,259	\$17,733,889

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Net change in fund balances - Governmental Funds	\$229,677
 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. This is the amount by which capital outlay of \$1,931,168 exceeded depreciation expense of \$1,194,002 in the current period.	737,166
Property taxes are deferred in the funds based on available and measurable criteria. In the Statement of Activities they are recorded as revenue.	822,149
Repayment of bond principal is an expenditure in the governmental funds but reduce the liability in the statement of net position (net of discount amortization).	338,146
Disposition of capital assets	(173,984)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This is the amount of compensated absences liability.	(150,041)
Proceeds from long-term debt shown as other financing sources in the fund statements are shown as a liability on the Statement of Net Position.	(875,691)
<i>Change in net position of governmental activities</i>	\$927,422

COUNTY OF LUNA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Property taxes	\$7,093,749	\$7,093,749	\$7,958,650	\$864,901
State shared taxes	1,190,000	1,190,000	1,174,278	(15,722)
Small counties assistance	140,000	140,000	148,000	8,000
Intergovernmental revenue	421,131	421,131	371,672	(49,459)
Charges for services	97,050	97,050	157,013	59,963
Interest income	75,000	75,000	31,436	(43,564)
Federal grants	30,000	30,000	51,631	21,631
State grants/state sources	5,400	16,400	11,000	(5,400)
Rental income	62,562	62,562	85,781	23,219
Other income	200,000	202,500	249,985	47,485
<i>Total revenues</i>	<u>9,314,892</u>	<u>9,328,392</u>	<u>10,239,446</u>	<u>911,054</u>
EXPENDITURES				
Current:				
General government	4,568,852	4,691,300	4,090,405	600,895
Public safety	4,257,072	4,305,267	3,867,407	437,860
Public works	761,078	761,078	724,057	37,021
Capital outlay	187,500	184,755	88,718	96,037
<i>Total expenditures</i>	<u>9,774,502</u>	<u>9,942,400</u>	<u>8,770,587</u>	<u>1,171,813</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(459,610)	(614,008)	1,468,859	2,082,867
Other Financing Sources (Uses):				
Operating transfers in (out)	(797,726)	(2,185,584)	(2,185,584)	0
<i>Total other financing sources (uses)</i>	<u>(797,726)</u>	<u>(2,185,584)</u>	<u>(2,185,584)</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(1,257,336)	(2,799,592)	<u>(\$716,725)</u>	<u>\$2,082,867</u>
Budgeted cash/investment carryover	<u>1,257,336</u>	<u>2,799,592</u>		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$716,725)
Adjustments for revenue accruals	357,100
Adjustments for expenditures accruals	(48,822)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	(\$408,447)

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

ROAD FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Property tax	\$861,953	\$861,953	\$681,244	(\$180,709)
State shared taxes	950,000	950,000	1,024,359	74,359
Intergovernmental revenue	2,700	2,700	7,267	4,567
Charges for services	20,000	20,000	12,235	(7,765)
Interest income	4,100	4,100	2,955	(1,145)
Federal grants	0	0	0	0
State grants/sources	479,140	479,140	439,146	(39,994)
Other revenue	350	350	892	542
<i>Total revenues</i>	<u>2,318,243</u>	<u>2,318,243</u>	<u>2,168,098</u>	<u>(150,145)</u>
EXPENDITURES				
Current:				
Public works	2,358,775	2,692,902	2,161,984	530,918
Capital outlay	0	0	781,554	(781,554)
Principal, interest and fees	0	0	59,010	(59,010)
<i>Total expenditures</i>	<u>2,358,775</u>	<u>2,692,902</u>	<u>3,002,548</u>	<u>(309,646)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(40,532)	(374,659)	(834,450)	(459,791)
Other Financing Sources (Uses):				
Loan proceeds	0	0	875,691	875,691
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>875,691</u>	<u>875,691</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(40,532)	(374,659)	<u>\$41,241</u>	<u>\$415,900</u>
Budgeted cash/investment carryover	<u>0</u>	<u>0</u>		
	<u>(\$40,532)</u>	<u>(\$374,659)</u>		
 Budgetary - GAAP Reporting Reconciliation:				
Excess (deficiency) of revenues over expenditures and other financing sources (uses)			\$41,241	
Adjustments for revenue accruals			(10,457)	
Adjustments for expenditures accruals			116,311	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)			<u>\$147,095</u>	

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
PROPRIETARY FUNDS
STATEMENTS OF FUND NET POSITION
JUNE 30, 2013

	Detention Center	Entertainment Complex Operations	Nonmajor Funds	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$139,427	\$137,920	\$259,392	\$536,739
Accounts receivable	305,534	274	10,520	316,328
Due from other governments	117,538	0	0	117,538
Due from external sources	11,396	0	0	11,396
<i>Total current assets</i>	<i>573,895</i>	<i>138,194</i>	<i>269,912</i>	<i>982,001</i>
Non-Current Assets				
Capital assets	7,370,132	9,803,891	19,975	17,193,998
Accumulated depreciation	(3,097,019)	(875,398)	(14,506)	(3,986,923)
<i>Total non-current assets</i>	<i>4,273,113</i>	<i>8,928,493</i>	<i>5,469</i>	<i>13,207,075</i>
Total assets	\$4,847,008	\$9,066,687	\$275,381	\$14,189,076
LIABILITIES AND FUND NET POSITION				
Current Liabilities:				
Accounts payable	\$108,654	\$1,113	\$388	\$110,155
Accrued salaries	67,953	14,388	1,258	83,599
Due to other funds	11,447	0	347,934	359,381
Accrued compensation - current	0	0	0	0
Long-term accrued compensated absences	201,031	0	2,644	203,675
<i>Total liabilities</i>	<i>389,085</i>	<i>15,501</i>	<i>352,224</i>	<i>756,810</i>
Fund Net Position:				
Net investment in capital assets	4,273,113	8,928,493	5,469	13,207,075
Unrestricted	184,810	122,693	(82,312)	225,191
<i>Total fund net position</i>	<i>4,457,923</i>	<i>9,051,186</i>	<i>(76,843)</i>	<i>13,432,266</i>
Total liabilities and fund net position	\$4,847,008	\$9,066,687	\$275,381	\$14,189,076

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

PROPRIETARY FUNDS

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Detention Center	Entertainment Complex Operations	Nonmajor Funds	Total
OPERATING REVENUES				
Cattle crossing revenue	\$0	\$0	\$84,398	\$84,398
Starmax revenues	0	1,243,364	0	1,243,364
Correction fees	311,234	0	0	311,234
Adult prisoner fees	3,673,333	0	0	3,673,333
Juvenile prisoner fees	52,142	0	0	52,142
State shared taxes	117,538	0	0	117,538
Miscellaneous revenue	0	0	46,441	46,441
<i>Total operating revenues</i>	<i>4,154,247</i>	<i>1,243,364</i>	<i>130,839</i>	<i>5,528,450</i>
OPERATING EXPENDITURES				
Personnel expenses	3,592,691	369,498	115,078	4,077,267
Depreciation	274,631	223,506	2,854	500,991
Other operating costs	1,412,829	780,773	39,436	2,233,038
<i>Total operating expenditures</i>	<i>5,280,151</i>	<i>1,373,777</i>	<i>157,368</i>	<i>6,811,296</i>
<i>Operating income (loss)</i>	<i>(1,125,904)</i>	<i>(130,413)</i>	<i>(26,529)</i>	<i>(1,282,846)</i>
NON-OPERATING REVENUES (EXPENSES)				
Interest revenue	1,720	0	0	1,720
<i>Net income (loss) before transfers</i>	<i>(1,124,184)</i>	<i>(130,413)</i>	<i>(26,529)</i>	<i>(1,281,126)</i>
Other Financing Sources (Uses):				
Capital contributions	0	4,000	0	4,000
Operating transfers in (out)	1,300,000	(18,857)	0	1,281,143
Capital transfers in (out)	0	388,661	0	388,661
<i>Total other financing sources (uses)</i>	<i>1,300,000</i>	<i>373,804</i>	<i>0</i>	<i>1,673,804</i>
<i>Change in fund net position</i>	<i>175,816</i>	<i>243,391</i>	<i>(26,529)</i>	<i>392,678</i>
Total fund net position, beginning of year	4,282,107	8,807,795	(50,314)	13,039,588
Total fund net position, end of year	\$4,457,923	\$9,051,186	(\$76,843)	\$13,432,266

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
PROPRIETARY FUND TYPES
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Detention Center	Entertainment Complex Operations	Nonmajor Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$4,140,516	\$1,243,090	\$120,319	\$5,503,925
Cash payments to suppliers for goods and services	(1,380,309)	(779,660)	(41,565)	(2,201,534)
Cash payments to employees for services	(3,575,749)	(355,110)	(115,171)	(4,046,030)
<i>Net cash provided (used) by operating activities</i>	<i>(815,542)</i>	<i>108,320</i>	<i>(36,417)</i>	<i>(743,639)</i>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:				
Temporary loans - to/from other funds	(346,751)	0	287,404	(59,347)
Net transfers in (out)	1,300,000	(18,857)	0	1,281,143
<i>Net cash provided (used) by non-capital and related financing activities</i>	<i>953,249</i>	<i>(18,857)</i>	<i>287,404</i>	<i>1,221,796</i>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of equity interest	0	4,000	0	4,000
Acquisition of capital assets	0	0	0	0
<i>Net cash provided (used) by capital and related financing activities</i>	<i>0</i>	<i>4,000</i>	<i>0</i>	<i>4,000</i>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	1,720	0	0	1,720
<i>Net cash provided (used) by investing activities</i>	<i>1,720</i>	<i>0</i>	<i>0</i>	<i>1,720</i>
<i>Net increase (decrease) in cash</i>	<i>139,427</i>	<i>93,463</i>	<i>250,987</i>	<i>483,877</i>
Cash and cash equivalents, beginning of year	0	44,457	8,405	52,862
<i>Cash and cash equivalents, end of year</i>	<i>\$139,427</i>	<i>\$137,920</i>	<i>\$259,392</i>	<i>\$536,739</i>
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	(\$1,125,904)	(\$130,413)	(\$26,529)	(\$1,282,846)
Depreciation	274,631	223,506	2,854	500,991
Receivables	(13,731)	(274)	(10,520)	(24,525)
Accrued payroll expenses	16,942	14,388	(93)	31,237
Accounts payable	32,520	1,113	(2,129)	31,504
<i>Net cash provided (used) by operating activities</i>	<i>(\$815,542)</i>	<i>\$108,320</i>	<i>(\$36,417)</i>	<i>(\$743,639)</i>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
JUNE 30, 2013

	Agency Funds
ASSETS	
Cash and temporary investments	\$181,402
Receivables:	
Property taxes	3,285,235
Due from inmates	14,299
<hr/>	
Total assets	\$3,480,936
<hr/>	
LIABILITIES	
Due to inmates	\$9,477
Due to Luna County	11,396
Due to others	41,004
Due to other governments	3,357,570
Prepaid taxes	7,257
Overpayment of taxes	6,386
Taxes paid in advance	17,826
Due to taxpayers	30,020
<hr/>	
Total liabilities	\$3,480,936
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The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Luna (the "County"), New Mexico was founded in 1901 and operates under the Commission-Manager system. There are three elected commissioners serving four-year terms. In addition, the following County Officials are elected for four-year terms: assessor, clerk, sheriff, treasurer, and probate judge. The County provides traditional services such as public safety, culture and recreation, public works, roads, tax collection, and licensing and regulation of businesses.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government 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 reported 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.

Reporting Entity

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB 14 and 39. 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 County and/or its citizens, or whether the activity is conducted within the geographic boundaries of the County and is generally available to 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 County 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.

Basis of Presentation

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) reports 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.

All governmental and business-type activities and proprietary funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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.

Measurement Focus, Basis of Accounting

Government-Wide 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. All assets, all liabilities and deferred outflows and inflows of resources are included on the statement of net position. 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.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenditures are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

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 amount program revenues are reported instead as general revenues.

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.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Financial Statements

The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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 estimateable.

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 resources.

Governmental 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 of construction of general capital assets and the servicing of general long-term debt. The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. 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 account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The Capital Projects Funds 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 are not required to be presented as major but were at the discretion of management.

The Road Fund is used 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 County Maintenance Fund is used to account for the federal and state grants funds and expenditures by the County for various maintenance projects established by the County as authorized by NMSA 1978 24-10A-6.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County reports the following business-type funds:

The Detention Center Fund accounts for the operation and maintenance of the Detention Facility for the County.

The Entertainment Complex Fund to account for the receipts for the capital improvements to the Entertainment Complex.

The Columbus Stockyard Fund to account for the receipts generated at the border from Mexico for the crossing of cattle and livestock.

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.

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 operations. The principal operating revenue of the County's proprietary fund is charges for correction fees. Operating expenses for proprietary 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.

Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

A "Pooled Cash" concept is used in maintaining the cash in the accounting records. Under this method, all cash is pooled and each fund has equity in the pooled amount. All amounts included in pool cash are considered to be cash equivalents for the purposes of the statement of cash flows. Negative cash balances in certain funds have been reclassified as due to other funds at year end.

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.

State statutes authorize the County to invest in Certificates of Deposit, obligations, of the U.S. Government, and fully collateralized repurchase agreements.

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.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds or internal balances” (i.e., the current portion of interfund loans) or “advances to/from other funds or internal balances” (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as “due to/from other funds.” If one fund has overdrawn its share of an internal investment pool, an inter-fund liability to the fund that loaned the amount is reported.

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 attach as an unsubordinated enforceable lien on property as of January 1 of the assessment year. Current year taxes are levied on November 1, unless a formal extension of time is obtained from the Property Tax Division of the New Mexico Department of Finance and Administration. Taxes are due in total on November 10, or optionally in two equal installments on November 10 and April 10 of the next tax year. Although due on November 10 and April 10, the taxes are not delinquent until December 10 and May 10, respectively. In the event the original levy date is formally extended, the respective due dates and delinquency dates are correspondingly extended.

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 10 and April 10. Property taxes uncollected after November 10 and April 10 are considered delinquent and the County may assess penalties and interest. The taxes attached as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

Net Position

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

Restricted Net Position – Restricted net position results 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. Certain proceeds of proprietary fund revenue bonds, as well as certain resources for their repayment, are required to be classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Unrestricted Net Position – This category reflects net position of the County, not restricted for any project or other purpose.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 operating transfers.

Capital Assets

Capital assets, which include property, plant, 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 no limitation on initial or individual cost. The New Mexico Audit Act (Section 12-6-10 NMSA 1978) requires agencies to capitalize only chattels and equipment that cost over \$5,000 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. County of Luna was a phase III government for purpose of implementing GASB 34 and therefore, was not required to record infrastructure assets retroactively back to fiscal years ending after June 30, 1980. However, County of Luna is required to record infrastructure assets on a prospective basis beginning with fiscal year ended June 30, 2004. There were no infrastructure assets placed in service during the fiscal year ended June 30, 2013. 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 asset 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.

Property, plant and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	20
Machinery and Equipment	5-10

Accrued Salaries

Accrued salaries are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2013.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenues

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 but not available for expenditure in the Special Revenue Funds are shown as deferred revenues. In addition, property taxes receivable but uncollected within sixty (60) days of year-end are classified as deferred revenue.

Compensated Absences

Paid time off is the component of accrued compensated absences. The County accumulates paid time off per employee, per year, and per years of service. Currently, employees with one or more but less than five years of service accumulate 15 days of paid time off per year. Employees with more than five years but less than fifteen years of service accumulate 20 days of paid time off per year. In addition, employees with an excess of fifteen years of service accumulate 25 days of paid time off per year. There is no separate accumulation of sick leave.

An employee may accumulate no more than 45 days (360 hours) of paid time off. Accumulated paid time off for the County total \$882,001 as of June 30, 2013.

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.

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.

Subsequent Events

Management has evaluated events through November 6, 2013, the date the financial statements were available to be issued.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Preliminary annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the Board of County Commissioners, and submitted to the Local Government Division of the State Department of Finance and Administration for approval. The budget is formally approved prior to July 31. Any amendments must also be approved by the Board of County Commissioners and the Department of Finance and Administration.

A separate budget is prepared for each fund. Line items within each budget may be over expended; however, it is not legally permissible to over expend at the fund level.

These budgets are prepared on the Non-GAAP cash basis and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent year.

The budget information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and Proprietary Funds.

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.

Other Required Individual Fund Disclosures:

Generally accepted accounting principles require disclosure, as part of the basic financial statements, of certain information concerning individual funds including:

- A. Deficit fund balance (or fund net position) of individual funds:
 - Columbus Stockyards (\$108,710)

- B. Designated cash appropriations in excess of available balances:
 - Road Fund (\$374,659)
 - Community Services (\$36,792)
 - Healing House (\$7,962)
 - Law Enforcement (\$128,603)
 - Treasurer's Mobile Home (\$4,000)

- C. Excess of fund actual expenditures over budget:

Fund	Budget Amount	Actual Amount	Over Expended
Road Fund	\$2,692,902	\$3,002,548	(\$309,646)
Ambulance 1/8 GRT	\$340,000	\$348,336	(\$8,336)
DWI Treatment Fees	\$3,652	\$5,058	(\$1,406)
Entertainment Complex	\$539,862	\$545,531	(\$5,669)
Judicial Bond	\$287,969	\$290,688	(\$2,719)
Detention Center	\$4,936,860	\$4,964,618	(\$27,758)
Entertainment Complex Operations	\$0	\$30,600	(\$30,600)

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3. CASH AND INVESTMENTS

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2013.

Deposits of funds may be made in interest or non interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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

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

Cash Deposited with Financial Institutions

The County maintains cash in two financial institutions within Deming, New Mexico. The County's deposits are carried at cost.

As of June 30, 2013, the amount of cash reported on the financial statements differs from the amount on deposits with the various institutions because of transactions in transit and outstanding checks. The locations and amounts deposited are as follows:

	Per Institution	Reconciling Items	Per Financial Statements
First New Mexico Bank	\$3,687,630	(\$422,511)	\$3,265,119
Wells Fargo Bank	523,861	0	523,861
Western Heritage Bank	108,012	0	108,012
<i>Total cash deposits</i>	\$4,319,503	(\$422,511)	3,896,992
Cash on hand			3,125
Cash held with Trustee – State Treasurer			122,698
Wells Fargo Investments – Money Market Accounts			198,628
			\$4,221,443

The amounts reported as cash for the primary government within the financial statement is displayed as:

Cash and cash equivalents	\$2,629,482
Restricted cash and cash equivalents	1,410,559
Agency funds	181,402
<i>Statement of net position</i>	\$4,221,443

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Except for items in transit, the carrying value of deposits by the respective depositories equated to the carrying value by the County.

All deposits are collateralized with eligible securities, as described by New Mexico State Statute, in amounts equal to at least 50% of the Bank deposit balance of the deposits less the applicable FDIC coverage.

Such collateral, as permitted by the state statutes is held in each respective depository bank's collateral pool at a Federal Reserve Bank, or member bank other than the depository bank, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds with the exception of deposit insurance provided by the federal Deposit Insurance Corporation.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for at least one half of the amount on deposit with the institution. As of June 30, 2013, \$207,223 of the County's bank balances of \$4,319,503 were exposed to custodial credit risk as follows:

	Western Heritage Bank	First New Mexico Bank	Wells Fargo Bank
Year ended June 30, 2013:			
Total amount of deposits	\$108,012	\$3,687,630	\$523,861
FDIC Coverage	(108,012)	(250,000)	(250,000)
<i>Total uninsured public funds</i>	0	3,437,630	273,861
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name	0	3,230,407	287,407
<i>Over (under) collateralization</i>	\$0	(\$207,223)	\$13,546
Collateral requirement (50% of uninsured public funds)	\$0	\$1,718,815	\$136,930
Pledged securities	0	3,230,407	287,407
<i>Over (under) collateralization</i>	\$0	\$1,511,592	\$150,477

The collateral pledged is listed on the supplemental schedule of collateral pledged by depositor of public funds on this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The County does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged to be delivered for securities underlying an overnight repurchase agreement, or a joint safekeeping receipt be issued to the County for at least one hundred two percent of the fair value of the securities underlying oversight repurchase accounts invested with the institution. At June 30, 2013, the County's investment balances were exposed to custodial credit risk as follows:

Investment Type	Credit Risk Rating	Fair Value	Weighted Average Maturity (Days)	Percent of Portfolio
Certificates of Deposit	N/A	\$7,030,493		55.26
US Government Securities	N/A	291,708		2.29
New Mexico Municipals	A to AAA	5,202,418		40.09
Money Market Accounts	N/A	198,628		2.36
<i>Total fair value</i>		12,723,247	1,044	100.00
Less cash equivalents – shown as cash		198,628		
		<u>\$12,524,619</u>		

County of Luna maintains an investment policy which states that “funds will be invested in compliance with the provisions of the State of New Mexico, Department of Finance and Administration, Local Government Division.” The County has established an investment committee which meets at least bi-monthly to review and evaluate investment activity. The committee includes the County Treasurer, the County Treasurer’s Investment Officer, the County Manger and one other county employee. This committee reports to the County Board of Finance which includes the County Treasurer, the County Manager, three Commissioners and the County Clerk.

Interest Rate Risk. The County’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The County’s investments shall be in accordance with State Law, 6-10-10, and 6-10-10.1 NMSA 1978 in that credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The County invests in securities issued by the U.S. government or its agencies, money market funds consisting of U.S. government and/or U.S. government-sponsored agency securities, and New Mexico State Treasurer’s Investment Pool.

Concentration of Credit Risk. The County’s investment policy places no limit on the amounts the County may invest in anyone issuer.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4. INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

Interfund Transactions

There are transactions that constitute reimbursements to a fund for expenditures initially expended from one fund that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditure in the fund that is reimbursed.

Interfund payables and receivables are reflected in the appropriate fund.

<u>Interfund Transfers In (Out)</u>	<u>Operating Transfers Out</u>					Totals
	General Fund	Nonmajor Governmental Funds	Detention Fund	County Maintenance	Entertainment Complex	
Operating Transfers In:						
General fund	\$0	17,116	\$0	\$7,549	\$0	\$24,715
County maintenance	0	0	0	0	29,457	29,457
Nonmajor governmental funds	899,697	89,240	0	0	0	988,937
Detention fund	1,300,000	0	0	0	0	1,300,000
Entertainment complex	10,600	0	0	0	0	10,600
Totals	\$2,210,297	\$106,406	\$0	\$7,549	\$29,457	\$2,742,371

Capital Transfers Out

Local Infrastructure Capital
Improvements Fund

Capital Transfers In:

Entertainment Complex \$388,661

Due From (to) Other Funds

Due To:

	General Fund	Fiduciary Funds	Detention Fund	Nonmajor		Totals
				Governmental Funds	Nonmajor Proprietary Funds	
Due From:						
General fund	\$0	\$0	\$11,447	\$0	\$347,934	\$359,381
Road fund	746,221	0	0	0	0	746,221
County maintenance fund	809,413	0	0	0	0	809,413
Nonmajor governmental funds	366,082	0	0	77,225	0	443,307
Detention fund	0	11,396	0	0	0	11,396
Totals	\$1,921,716	\$11,396	\$11,447	\$77,225	\$347,934	\$2,369,718

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2013 is as follows:

	Balance June 30, 2012	Restatements	Additions	Retirements	Transfers	Balance June 30, 2013
Governmental Activities:						
Capital assets not being depreciated						
Land	\$1,821,032	(\$15,000)	\$0	(\$20,330)	\$0	\$1,785,702
Construction in progress	4,119,821	(174,127)	515,117	0	0	4,460,811
<i>Total capital assets not being depreciated</i>	<i>5,940,853</i>	<i>(189,127)</i>	<i>515,117</i>	<i>(20,330)</i>	<i>0</i>	<i>6,246,513</i>
Capital assets being depreciated						
Buildings	16,169,675	(200,332)	0	(197,404)	0	15,771,939
Equipment and furnishings	10,371,346	(53,835)	1,416,051	(11,565)	0	11,721,997
<i>Total capital assets being depreciated</i>	<i>26,541,021</i>	<i>(254,167)</i>	<i>1,416,051</i>	<i>(208,969)</i>	<i>0</i>	<i>27,493,936</i>
Less accumulated depreciation for:						
Buildings	(2,919,281)	81,973	(416,712)	43,799	0	(3,210,221)
Equipment and furnishings	(7,951,070)	(200,398)	(777,294)	11,516	0	(8,917,246)
<i>Total accumulated depreciation</i>	<i>(10,870,351)</i>	<i>(118,425)</i>	<i>(1,194,006)</i>	<i>55,315</i>	<i>0</i>	<i>(12,127,467)</i>
Governmental activities capital assets, net	\$21,611,523	(\$561,719)	\$737,162	(\$173,984)	\$0	\$21,612,982

Depreciation expense for the year ended June 30, 2013 was charged to the following functions and funds:

General Government	\$331,540
Public Safety	513,922
Public Works	154,415
Health and Welfare	191,419
Culture and Recreation	2,710
	<u>\$1,194,006</u>

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013
Business-Type Activities:				
Capital assets not being depreciated				
Land	\$719,714	\$0	\$0	\$719,714
<i>Total capital assets not being depreciated</i>	<i>719,714</i>	<i>0</i>	<i>0</i>	<i>719,714</i>
Capital assets being depreciated				
Buildings	15,185,704	0	0	15,185,704
Equipment and furnishings	899,919	388,661	0	1,288,580
<i>Total capital assets being depreciated</i>	<i>16,085,623</i>	<i>388,661</i>	<i>0</i>	<i>16,474,284</i>
Less accumulated depreciation for:				
Buildings	(2,671,740)	(379,509)	0	(3,051,249)
Equipment and furnishings	(814,192)	(121,482)	0	(935,674)
<i>Total accumulated depreciation</i>	<i>(3,485,932)</i>	<i>(500,991)</i>	<i>0</i>	<i>(3,986,923)</i>
<i>Business-Type activities capital assets, net</i>	<i>\$13,319,405</i>	<i>(\$112,330)</i>	<i>\$0</i>	<i>\$13,207,075</i>

Depreciation expense for business-type activities for the year ended June 30, 2013 was \$500,991.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6. LONG-TERM DEBT

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

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Judicial Bond 2007A	\$3,788,164	\$0	\$125,908	\$3,662,256	\$0
Entertainment Complex 2007B	6,027,114	0	161,856	5,865,258	0
NMFA Loan	0	875,691	50,382	825,309	204,566
Compensated absences	517,359	511,062	377,524	650,897	0
<i>Total primary government</i>	\$10,332,637	\$1,386,753	\$715,670	\$11,003,720	\$204,566

Liabilities for compensated absences are generally liquidated by the fund from which the employee's salaries are paid; the majority of the County's liability will be satisfied by payments from the General Fund.

Bond – Judicial Complex 2007A

On October 19, 2007, the County entered into a bond agreement for the construction of a Judicial Complex. The bond maturity amount is \$4,515,000, but was discounted \$102,295 so the County received funds of \$4,412,705. The County pledged Correctional Facility Gross Receipts Tax for the repayment of the bond. Interest on the bond is due January 1 and July 1 of each year beginning in 2008. Interest rates for the bond began at 3.55% and increase until maturity up to 4.45%. The term of the bond is 25 years.

Loan debt service requirements to maturity are as follows:

<u>Years Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014 (Paid July 1 payment June 30, 2013)	3.700%	\$0	\$77,971	\$77,971
2015	3.750%	135,000	153,445	288,445
2016	3.750%	140,000	148,323	288,323
2017	3.850%	145,000	142,979	287,979
2018	3.900%	150,000	137,372	287,372
2019-2023	3.900%-4.000%	850,000	590,922	1,440,922
2024-2028	4.200%	1,040,000	397,570	1,437,570
2029-2033	4.450%	1,280,000	147,295	1,427,295
Discount remaining		(77,744)	0	(77,744)
		\$3,662,256	\$1,795,877	\$5,458,133

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6. LONG-TERM DEBT (CONTINUED)

Bond – Entertainment Complex 2007B

On October 19, 2007, the County entered into a bond agreement for the construction of an Entertainment Complex. The bond maturity amount is \$7,165,000 but was discounted \$328,605 so the County received funds of \$6,836,395. The County pledged Taxable Capital Outlay Gross Receipts Tax for the repayment of the bond. Interest on the bond is due January 1 and July 1 of each year beginning in 2008. Interest rates for the bond began at 5.10% and increase until maturity up to 6.00%. The term of the bond is 25 years.

Loan debt service requirements to maturity are as follows:

<u>Years Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	5.300%	\$0	\$180,628	\$180,628
2015	5.350%	185,000	356,307	541,307
2016	5.450%	195,000	346,045	541,045
2017	5.520%	205,000	335,073	540,073
2018	5.600%	215,000	323,395	538,395
2019-2023	5.600%-6.000%	1,285,000	1,409,267	2,694,267
2024-2028	6.000%	1,725,000	962,250	2,687,250
2029-2033	6.000%	2,305,000	361,350	2,666,350
Discount remaining		(249,742)	0	(249,742)
		\$5,865,258	\$4,274,315	\$10,139,573

NMFA Loan – Motor Graders #402

On December 14, 2012, the County entered into a loan and incept agreement with New Mexico Finance Authority for the purchase of four motor graders in the amount of \$875,691. Pledged gas tax monthly revenues of \$17,482 are intercepted and deposited into a debt service account with the State Treasurer on behalf of Luna County. Annual principal payments are paid from the debt service account on November 1st. The interest rate ranges from .38% to .78% with an additional maintenance fee of .100%. Interest is paid from the debt service account semi-annually on May 1st and November 1st. The loan term is 5.5 years and matures with the final payment on May 1, 2017.

Loan debt service requirements to maturity are as follows:

<u>Years Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest and Maintenance Fee</u>	<u>Total</u>
2014	.38%-.49%	\$204,566	\$5,224	\$209,790
2015	.49%-.59%	205,568	4,221	209,789
2016	.59%-.78%	206,781	3,008	209,789
2017	.78%	208,394	1,396	209,790
		\$825,309	\$13,849	\$839,158

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6. LONG-TERM DEBT (CONTINUED)

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

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Compensated absences	\$197,270	\$205,644	(\$199,239)	(\$203,675)	\$0

Liabilities for compensated absences are generally liquidated in the detention center fund.

NOTE 7. 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, 2012 through June 30, 2013, the premiums paid were \$577,237. The assumption of risk transfers upon payment of premiums within the policy limits. To minimize the risk of loss for workers' compensation, the County participates in the New Mexico County Insurance Association (a risk pool of counties within the State of New Mexico). The pool is self insured for workers' compensation claims up to \$300,000. Above that amount, the pool maintains an Excess Employers' Reinsurance Policy.

NOTE 8. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description. Substantially all of the County of Luna'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, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 9.15% or 16.30% (law enforcement) of their gross salary. The County of Luna is required to contribute 9.15% or 18.50% (law enforcement) of the gross covered salary. The contribution requirements of plan members and the County of Luna are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The County of Luna's contributions to PERA for the fiscal years ending June 30, 2013, 2012 and 2011 were \$807,570, \$777,358 and \$912,060, respectively, which equal the amount of the required contributions for each fiscal year.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

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

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

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

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

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

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

The County of Luna's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$156,180, \$137,832 and \$130,618, respectively, which equal the required contributions for each year.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 10. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amount, if any, to be immaterial.

The County is involved in 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.

NOTE 11. FUND BALANCE CLASSIFICATIONS

The County has defined fund balance classifications for governmental funds as follows:

Nonspendable Fund Balance – includes amounts that by their nature are not expendable such as inventories, prepaids and long-term notes receivable.

Restricted Fund Balance – includes amounts that have constraints placed on their use which are:

externally imposed by:

- Creditors (such as debt covenants)
- Grantors
- Contributors
- Laws or regulations of other governments (state and federal)

OR

imposed by law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the County 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 purpose 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.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolution of the County's Commission. These committed amounts cannot be used for any other purposes unless the government removes or changes the specified use by resolution (the same type of action taken to commit the funds).

Assigned Fund Balance – includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the County Commission, a finance or budget committee, or the County Manager to which the Commission has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – includes amounts in the General Fund that have not been classified in any other fund balance category noted above.

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11. FUND BALANCE CLASSIFICATIONS (CONTINUED)

Hierarchy of Application of Expenditures

The County will apply restricted resources first when an expenditure is incurred for which both restricted and unrestricted fund balance or net position is available.

The County will apply committed resources first, then assigned, then unassigned when an expenditure is incurred for which amounts in any of these unrestricted fund balance classifications could be used.

The classification of governmental fund balances are as follows:

	General Fund	Major Special Revenue Fund Road	Major Capital Projects Fund County Maintenance	Other Funds	Total
Fund Balances:					
Nonspendable:					
Inventory	\$0	\$130,238	\$0	\$0	\$130,238
Restricted for:					
Ambulance services	0	0	0	412,987	412,987
Health and social services	0	0	0	13,822	13,822
DWI	0	0	0	108,587	108,587
DWI screening and treatment	0	0	0	26,392	26,392
Conservation and range control	0	0	0	37,880	37,880
Fire protection	0	0	0	122,641	122,641
Indigent claims – health	0	0	0	99,781	99,781
Law enforcement	0	0	0	210,237	210,237
Recreation	0	0	0	143	143
Reappraisals	0	0	0	345,580	345,580
Volunteer fire services	0	0	0	289,042	289,042
Debt service	0	0	0	1,464,169	1,464,169
Committed To:					
Capital projects	0	0	0	413,192	413,192
Assigned To:					
Road surface repairs	0	927,607	0	0	927,607
County maintenance/projects	0	0	5,930,467	0	5,930,467
Clerk's office	0	0	0	68,132	68,132
Education	0	0	0	204,911	204,911
Waste/recycling	0	0	0	4,185	4,185
Treasurer's office	0	0	0	312,684	312,684
Health services	0	0	0	322,163	322,163
Assessor's non-rendition fees	0	0	0	53,731	53,731
Unassigned	6,235,318	0	0	0	6,235,318
Total fund balances	\$6,235,318	\$1,057,845	\$5,930,467	\$4,510,259	\$17,733,889

COUNTY OF LUNA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 12. STARMAX ENTERTAINMENT COMPLEX OPERATIONS

In September 2012, the County took over the operations of the Starmax Entertainment Complex after the contracted operator and the County mutually terminated the operating agreement. As the operator of the facility the County entered into agreements with the movie production companies to receive digital film. The film companies required an individual guarantor. Therefore, the County Manager was named as the guarantor. The operations of the Entertainment Complex are shown in these financial statements as a proprietary fund.

NOTE 13. RESTATEMENTS

Governmental Activities

Capital assets not properly deleted	(\$443,294)
Accumulated depreciation – prior depreciation correction	(118,425)
	<hr/>
	(\$561,719)

SUPPLEMENTARY INFORMATION

COUNTY OF LUNA
SPECIAL REVENUE FUNDS
JUNE 30, 2013

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources, other than expendable trusts and major capital projects that are legally restricted to expenditures for specific purposes.

Ambulance County (1/8% GRT) – To account for support of the County’s financial share of the ambulance system. Financing is provided by allotments from the State of New Mexico Fire Marshal’s Office and by EMS grants. The authority to create this fund was given by Section 7-27-4.11, NMSA 1978.

Assessor’s Non-rendition – To account for non-rendition fees collected and set aside by the County Commission to be expended for the Assessor’s Office capital needs. The authority to create this fund is by County ordinance.

Community Health and Social Services – To account for the funds received to aid the lower income residents in Luna County.

DWI Grants – To account for various funds provided to promote awareness and prevention of DWI. The authority was given by Section 11-6A-3, BNSA 1978.

DWI Screening Fees – To account for fees collected from DWI offenders. The authority to create this fund is by County ordinance.

DWI Treatment Fees – To account for fees DWI offenders who receive treatment. The authority to create this fund is by County ordinance.

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. The authority was provided by the Taylor Grazing Act. (6-11-6 NMSA 1978).

Fire Protection Fund (1/4% GRT) – To account for the state shared gross receipts for the acquisition and maintenance of adequate fire protection facilities in the Luna County area. The authority was given by Section 7-20E-15, NMSA 1978.

Healing House Fund – Domestic Violence Shelter. Separated so that the Healing House could become self sustaining. The authority to create this fund is by County ordinance

Healthy Start Initiative – To account for proceeds and expenditures related to a federal grant to eliminate ethnic disparities in prenatal health by providing consortium and care coordination/case management. This fund has been established in accordance with federal regulations set forth by U.S. Department of Health and Human Services, Healthy Start Initiative.

Indigent Hospital Claims – To account for the support of indigent hospital patients who are residents of Luna County. Financing is provided by the imposition of a one-fourth of one-percent sales tax in compliance with the county Sales Tax Act. The authority to create this fund was given by 27-5-7, NMSA 1978.

KLCB Aluminum – To account for funds that are collected from the sale of donated aluminum cans. These funds are to be used for the Keep Luna County Beautiful project. The authority to create this fund is by County ordinance.

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 1978.

COUNTY OF LUNA
SPECIAL REVENUE FUNDS
JUNE 30, 2013

Special Revenue Funds (Continued)

Mimbres Valley Learning Center – To account for the revenues and expenditures for maintaining and improving the learning center. The fund was established by County ordinance.

Recreation – To account for the monies specifically set aside by County ordinance for maintenance and creation of recreation facilities. There have been no transactions in this fund for several years. The fund was established by County ordinance. The authority was given by 5-4-3, NMSA 1978.

Reappraisal Program – To account for proceeds from property taxes and the one-percent administrative fees assessed by county treasurers to revenue recipients. The authority was given by 72-2-21.1, NMSA 1978.

Recording Fees – To account for the proceeds collected by the county clerk's office for recording fees. The authority to create this fund is by County ordinance.

Sirolli Institute – To account for a grant that is an effort to develop community opportunity for economic development. The authority to create this fund is by County ordinance.

Solid Waste Grant – To account for grant funds that are to be used to close the landfill formerly operated by the County. Financing is provided by a grant from the New Mexico Environment Department under the New Mexico Rural Infrastructure Act. Section 78-1-1, NMSA 1978.

Treasurer's Mobile Home Sales – To account for fees collected to recover costs incurred in preparing for the sale of delinquent personal property. The authority to create this fund was given by County ordinance.

Volunteer Fire Departments – To account for funds received from state fire distribution for tanker fire truck debt service to New Mexico Finance Authority. The authority was given by Section 59A-53-7, NMSA 1978.

COUNTY OF LUNA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2013

	Ambulance	Assessor's Non-render- tion Fees	Community Health and Social Services	Community Services (formerly Healthy Start)	DWI Grants	DWI Screening Fees
ASSETS						
Cash and cash equivalents	\$360,467	\$53,731	\$18,820	\$32,297	\$18,525	\$23,613
Investments	0	0	0	0	0	0
Receivables:						
Due from other governments	58,769	0	0	0	0	0
Grants	0	0	0	301,786	45,049	0
Accounts receivable	0	0	0	0	0	0
Property tax receivable	0	0	0	0	0	0
Due from other funds	0	0	0	0	51,683	0
Total assets	\$419,236	\$53,731	\$18,820	\$334,083	\$115,257	\$23,613
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$6,249	\$0	\$4,998	\$11,497	\$3,779	\$145
Accrued salaries	0	0	0	7,317	2,891	0
Accrued compensated absences - ST	0	0	0	0	0	0
Bank overdraft	0	0	0	0	0	0
Due to other funds	0	0	0	0	0	0
Deferred revenue	0	0	0	0	0	0
Total liabilities	6,249	0	4,998	18,814	6,670	145
Fund Balance:						
Restricted	412,987	0	13,822	0	108,587	23,468
Committed	0	0	0	0	0	0
Assigned	0	53,731	0	315,269	0	0
Unassigned	0	0	0	0	0	0
Total fund balance	412,987	53,731	13,822	315,269	108,587	23,468
Total liabilities and fund balance	\$419,236	\$53,731	\$18,820	\$334,083	\$115,257	\$23,613

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2013

	DWI Treatment Fees	Farm and Range	Fire Protection	Healing House	Indigent Hospital Claims	KLCB Aluminum
ASSETS						
Cash and cash equivalents	\$2,924	\$37,860	\$101,703	\$0	\$16,968	\$0
Investments	0	0	0	0	0	0
Receivables:						
Due from other governments	0	0	27,189	0	117,538	0
Grants	0	0	0	49,476	0	9,138
Accounts receivable	0	0	0	0	0	0
Property tax receivable	0	17,746	0	0	0	0
Due from other funds	0	0	0	0	0	0
Total assets	\$2,924	\$55,606	\$128,892	\$49,476	\$134,506	\$9,138
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$0	\$0	\$6,251	\$3,304	\$34,725	\$1,955
Accrued salaries	0	0	0	6,619	0	0
Accrued compensated absences - ST	0	0	0	0	0	0
Bank overdraft	0	0	0	0	0	0
Due to other funds	0	0	0	32,659	0	3,071
Deferred revenue	0	17,726	0	0	0	0
Total liabilities	0	17,726	6,251	42,582	34,725	5,026
Fund Balance:						
Restricted	2,924	37,880	122,641	0	99,781	0
Committed	0	0	0	0	0	0
Assigned	0	0	0	6,894	0	4,112
Unassigned	0	0	0	0	0	0
Total fund balance	2,924	37,880	122,641	6,894	99,781	4,112
Total liabilities and fund balance	\$2,924	\$55,606	\$128,892	\$49,476	\$134,506	\$9,138

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2013

	Law Enforcement Protection	Mimbres Valley Learning Center	Recreation	Reappraisal Program	Recording Fees
ASSETS					
Cash and cash equivalents	\$0	\$53,400	\$143	\$84,457	\$68,132
Investments	0	0	0	0	0
Receivables:					
Due from other governments	13,594	29,385	0	0	0
Grants	305,474	0	0	0	0
Accounts receivable	0	0	0	0	0
Property tax receivable	0	0	0	0	0
Due from other funds	6,366	122,698	0	262,560	0
Total assets	\$325,434	\$205,483	\$143	\$347,017	\$68,132
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$68,902	\$572	\$0	\$476	\$0
Accrued salaries	4,800	0	0	961	0
Accrued compensated absences - ST	0	0	0	0	0
Bank overdraft	0	0	0	0	0
Due to other funds	41,495	0	0	0	0
Deferred revenue	0	0	0	0	0
Total liabilities	115,197	572	0	1,437	0
Fund Balance:					
Restricted	210,237	0	143	345,580	0
Committed	0	0	0	0	0
Assigned	0	204,911	0	0	68,132
Unassigned	0	0	0	0	0
Total fund balance	210,237	204,911	143	345,580	68,132
Total liabilities and fund balance	\$325,434	\$205,483	\$143	\$347,017	\$68,132

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2013

	Sirolli Institute	Solid Waste Grant	Treasurer's Mobile Home Sales	Volunteer Fire Departments	Totals
ASSETS					
Cash and cash equivalents	\$0	\$73	\$313,539	\$297,097	\$1,483,749
Investments	0	0	0	0	0
Receivables:					
Due from other governments	0	0	0	0	246,475
Grants	0	0	0	0	710,923
Accounts receivable	0	0	0	0	0
Property tax receivable	0	0	0	0	17,746
Due from other funds	0	0	0	0	443,307
Total assets	\$0	\$73	\$313,539	\$297,097	\$2,902,200
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$0	\$0	\$855	\$8,055	\$151,763
Accrued salaries	0	0	0	0	22,588
Accrued compensated absences - ST	0	0	0	0	0
Bank overdraft	0	0	0	0	0
Due to other funds	0	0	0	0	77,225
Deferred revenue	0	0	0	0	17,726
Total liabilities	0	0	855	8,055	269,302
Fund Balance:					
Restricted	0	0	0	289,042	1,667,092
Committed	0	0	0	0	0
Assigned	0	73	312,684	0	965,806
Unassigned	0	0	0	0	0
Total fund balance	0	73	312,684	289,042	2,632,898
Total liabilities and fund balance	\$0	\$73	\$313,539	\$297,097	\$2,902,200

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Ambulance	Assessor's Non-remi- tion Fees	Community Health and Social Services	Community Services (formerly Healthy Start)	DWI Grants	DWI Screening Fees
REVENUES						
Property tax	\$0	\$0	\$0	\$0	\$0	\$0
State shared taxes	342,878	0	0	0	0	0
Intergovernmental	0	0	0	100	0	0
Charges for services	0	26,587	0	0	0	5,400
Interest income	0	0	0	0	0	0
Federal grants	0	0	0	197,101	0	0
State grants	0	0	0	472,364	247,591	0
Other income	0	0	0	5,000	0	0
<i>Total revenues</i>	<u>342,878</u>	<u>26,587</u>	<u>0</u>	<u>674,565</u>	<u>247,591</u>	<u>5,400</u>
EXPENDITURES						
Current:						
General government	0	980	0	0	0	0
Public works	0	0	0	0	0	0
Public safety	348,336	0	0	0	0	0
Health and welfare	0	0	60,000	670,945	207,446	13,304
Culture and recreation	0	0	0	0	0	0
Debt service principal	0	0	0	0	0	0
Capital outlay	0	6,038	0	0	0	0
<i>Total expenditures</i>	<u>348,336</u>	<u>7,018</u>	<u>60,000</u>	<u>670,945</u>	<u>207,446</u>	<u>13,304</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,458)</u>	<u>19,569</u>	<u>(60,000)</u>	<u>3,620</u>	<u>40,145</u>	<u>(7,904)</u>
Other Financing Sources (Uses):						
Transfers in	0	34,162	0	0	0	0
Transfers out	0	0	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>34,162</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net changes in fund balances</i>	<u>(5,458)</u>	<u>53,731</u>	<u>(60,000)</u>	<u>3,620</u>	<u>40,145</u>	<u>(7,904)</u>
Fund balance - beginning of year	418,445	0	73,822	311,649	68,442	31,372
Fund balance - end of year	<u>\$412,987</u>	<u>\$53,731</u>	<u>\$13,822</u>	<u>\$315,269</u>	<u>\$108,587</u>	<u>\$23,468</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	DWI Treatment Fees	Farm and Range	Fire Protection	Healing House	Indigent Hospital Claims	KLCB Aluminum
REVENUES						
Property tax	\$0	\$0	\$0	\$0	\$0	\$0
State shared taxes	0	14,445	140,229	0	0	0
Intergovernmental	0	18,114	0	38,883	685,814	0
Charges for services	2,940	0	0	0	0	0
Interest income	0	245	0	0	763	44,550
Federal grants	0	0	0	140,646	0	37,884
State grants	0	0	0	196,647	0	370
Other income	0	0	0	0	0	0
<i>Total revenues</i>	2,940	32,804	140,229	376,176	686,577	82,804
EXPENDITURES						
Current:						
General government	0	37,500	0	0	0	95,915
Public works	0	0	0	48,207	0	0
Public safety	0	0	173,790	0	0	0
Health and welfare	5,058	0	0	326,768	786,195	0
Culture and recreation	0	0	0	0	0	0
Debt service principal	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
<i>Total expenditures</i>	5,058	37,500	173,790	374,975	786,195	95,915
<i>Excess (deficiency) of revenues over expenditures</i>	(2,118)	(4,696)	(33,561)	1,201	(99,618)	(13,111)
Other Financing Sources (Uses):						
Transfers in	0	20,000	0	33,000	0	18,112
Transfers out	0	0	(11,741)	(17,165)	0	0
<i>Total other financing sources (uses)</i>	0	20,000	(11,741)	15,835	0	18,112
<i>Net changes in fund balances</i>	(2,118)	15,304	(45,302)	17,036	(99,618)	5,001
Fund balance - beginning of year	5,042	22,576	167,943	(10,142)	199,399	(889)
Fund balance - end of year	\$2,924	\$37,880	\$122,641	\$6,894	\$99,781	\$4,112

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Law Enforcement Protection	Mimbres Valley Learning Center	Recreation	Reappraisal Program	Recording Fees
REVENUES					
Property tax	\$0	\$0	\$0	\$0	\$0
State shared taxes	70,114	171,468	0	0	0
Intergovernmental	0	0	0	0	0
Charges for services	0	84,869	0	112,224	30,268
Interest income	76	0	0	0	0
Federal grants	907,522	0	0	0	0
State grants	241,976	0	0	0	0
Other income	27,030	0	0	0	0
<i>Total revenues</i>	<u>1,246,718</u>	<u>256,337</u>	<u>0</u>	<u>112,224</u>	<u>30,268</u>
EXPENDITURES					
Current:					
General government	0	0	0	23,531	1,881
Public works	0	0	0	0	0
Public safety	1,283,409	0	0	0	0
Health and welfare	0	0	0	0	0
Culture and recreation	0	236,282	0	0	0
Debt service principal	0	0	0	0	0
Capital outlay	93,004	0	0	0	9,936
<i>Total expenditures</i>	<u>1,376,413</u>	<u>236,282</u>	<u>0</u>	<u>23,531</u>	<u>11,817</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(129,695)</u>	<u>20,055</u>	<u>0</u>	<u>88,693</u>	<u>18,451</u>
Other Financing Sources (Uses):					
Transfers in	94,422	77,500	0	0	0
Transfers out	(77,500)	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>16,922</u>	<u>77,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net changes in fund balances</i>	<u>(112,773)</u>	<u>97,555</u>	<u>0</u>	<u>88,693</u>	<u>18,451</u>
Fund balance - beginning of year	323,010	107,356	143	256,887	49,681
Fund balance - end of year	<u>\$210,237</u>	<u>\$204,911</u>	<u>\$143</u>	<u>\$345,580</u>	<u>\$68,132</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Sirolli Institute	Solid Waste Grant	Treasurer's Mobile Home Sales	Volunteer Fire Departments	Totals
REVENUES					
Property tax	\$0	\$0	\$0	\$0	\$0
State shared taxes	0	0	0	0	739,134
Intergovernmental	0	0	0	0	742,911
Charges for services	0	0	0	0	262,288
Interest income	0	0	0	1,788	47,422
Federal grants	0	0	0	0	1,283,153
State grants	(12,956)	0	0	188,798	1,334,790
Other income	0	0	50,975	100	83,105
<i>Total revenues</i>	(12,956)	0	50,975	190,686	4,492,803
EXPENDITURES					
Current:					
General government	0	0	6,264	0	166,071
Public works	0	0	0	0	48,207
Public safety	0	0	0	74,055	1,879,590
Health and welfare	0	0	0	0	2,069,716
Culture and recreation	0	0	0	0	236,282
Debt service principal	0	0	0	0	0
Capital outlay	0	0	653	61,066	170,697
<i>Total expenditures</i>	0	0	6,917	135,121	4,570,563
<i>Excess (deficiency) of revenues over expenditures</i>	(12,956)	0	44,058	55,565	(77,760)
Other Financing Sources (Uses):					
Transfers in	0	0	0	11,741	288,937
Transfers out	0	0	0	0	(106,406)
<i>Total other financing sources (uses)</i>	0	0	0	11,741	182,531
<i>Net changes in fund balances</i>	(12,956)	0	44,058	67,306	104,771
Fund balance - beginning of year	12,956	73	268,626	221,736	2,528,127
Fund balance - end of year	\$0	\$73	\$312,684	\$289,042	\$2,632,898

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
AMBULANCE 1/8% GRT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
State shared taxes	\$340,000	\$340,000	\$345,450	\$5,450
<i>Total revenues</i>	<u>340,000</u>	<u>340,000</u>	<u>345,450</u>	<u>5,450</u>
EXPENDITURES				
Current:				
Public safety	340,000	340,000	348,336	(8,336)
<i>Total expenditures</i>	<u>340,000</u>	<u>340,000</u>	<u>348,336</u>	<u>(8,336)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>\$0</u>	<u>\$0</u>	<u>(\$2,886)</u>	<u>(\$2,886)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$2,886)
Adjustments for revenue accruals	(2,572)
Adjustments for expenditures accruals	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>(\$5,458)</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
ASSESSOR'S NON-RENDITION FEES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Charges for services	\$25,000	\$25,000	\$26,587	\$1,587
<i>Total revenues</i>	25,000	25,000	26,587	1,587
EXPENDITURES				
Current:				
General government	5,000	5,000	980	4,020
Capital outlay	20,000	20,000	6,038	13,962
<i>Total expenditures</i>	25,000	25,000	7,018	17,982
<i>Excess (deficiency) of revenues over expenditures</i>	0	0	19,569	19,569
Other Financing Sources (Uses):				
Operating transfers in (out)	34,162	34,162	34,162	0
<i>Total other financing sources (uses)</i>	34,162	34,162	34,162	0
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	\$34,162	\$34,162	\$53,731	\$19,569

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$53,731
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$53,731

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
COMMUNITY HEALTH & SOCIAL SERVICES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
State grants	\$0	\$0	\$0	\$0
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Health and welfare	60,000	60,000	60,000	0
<i>Total expenditures</i>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(60,000)	(60,000)	<u>(\$60,000)</u>	<u>\$0</u>
Budgeted cash carryover	60,000	60,000		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$60,000)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>(\$60,000)</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
COMMUNITY SERVICES (Formerly HEALTHY START)
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue	\$1,100	\$1,100	\$3,801	\$2,701
Federal grants	189,454	237,754	176,603	(61,151)
State grants	332,100	648,600	277,403	(371,197)
<i>Total revenues</i>	<u>522,654</u>	<u>887,454</u>	<u>457,807</u>	<u>(429,647)</u>
EXPENDITURES				
Current:				
Health and welfare	559,446	924,246	670,478	253,768
<i>Total expenditures</i>	<u>559,446</u>	<u>924,246</u>	<u>670,478</u>	<u>253,768</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(36,792)	(36,792)	<u>(\$212,671)</u>	<u>(\$175,879)</u>
Budgeted cash carryover	0	0		
	<u>(\$36,792)</u>	<u>(\$36,792)</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$212,671)
Adjustments for revenue accruals	216,758
Adjustments for expenditures accruals	(467)
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$3,620</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
DWI GRANT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
State grants	\$202,512	\$210,512	\$209,702	(\$810)
Other income	0	0	0	0
<i>Total revenues</i>	<u>202,512</u>	<u>210,512</u>	<u>209,702</u>	<u>(810)</u>
EXPENDITURES				
Current:				
Health and welfare	203,277	225,762	211,370	14,392
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>203,277</u>	<u>225,762</u>	<u>211,370</u>	<u>14,392</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(765)	(15,250)	<u>(\$1,668)</u>	<u>\$13,582</u>
Budgeted cash carryover	765	15,250		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$1,668)
Adjustments for revenue accruals	37,889
Adjustments for expenditures accruals	3,924
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$40,145</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
DWI SCREENING FEES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Charges for services	\$5,250	\$5,250	\$5,400	\$150
Other income	0	0	0	0
<i>Total revenues</i>	<u>5,250</u>	<u>5,250</u>	<u>5,400</u>	<u>150</u>
EXPENDITURES				
Current:				
Health and welfare	31,297	31,297	13,252	18,045
<i>Total expenditures</i>	<u>31,297</u>	<u>31,297</u>	<u>13,252</u>	<u>18,045</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(26,047)	(26,047)	<u>(\$7,852)</u>	<u>\$18,195</u>
<i>Budgeted cash carryover</i>	<u>26,047</u>	<u>26,047</u>		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$7,852)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	(52)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</i>	<u>(\$7,904)</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
DWI TREATMENT FEES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
State grants	\$0	\$0	\$0	\$0
Charges for services	3,150	3,150	2,940	(210)
<i>Total revenues</i>	<u>3,150</u>	<u>3,150</u>	<u>2,940</u>	<u>(210)</u>
EXPENDITURES				
Current:				
Health and welfare	3,652	3,652	5,058	(1,406)
<i>Total expenditures</i>	<u>3,652</u>	<u>3,652</u>	<u>5,058</u>	<u>(1,406)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(502)	(502)	<u>(\$2,118)</u>	<u>(\$1,616)</u>
Budgeted cash carryover	502	502		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$2,118)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>(\$2,118)</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
FARM AND RANGE
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
State shared taxes	\$12,200	\$12,200	\$15,367	\$3,167
Intergovernmental revenue	18,500	18,500	18,114	(386)
Interest income	100	100	245	145
<i>Total revenues</i>	<u>30,800</u>	<u>30,800</u>	<u>33,726</u>	<u>2,926</u>
EXPENDITURES				
Current:				
General government	50,000	50,000	37,500	12,500
<i>Total expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>37,500</u>	<u>12,500</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(19,200)	(19,200)	(3,774)	15,426
Other Financing Sources (Uses):				
Operating transfers in (out)	20,000	20,000	20,000	0
<i>Total other financing sources (uses)</i>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$800</u>	<u>\$800</u>	<u>\$16,226</u>	<u>\$15,426</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$16,226
Adjustments for revenue accruals	(922)
Adjustments for expenditures accruals	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$15,304

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
FIRE PROTECTION 1/4% GRT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
State shared tax	\$215,000	\$215,000	\$153,934	(\$61,066)
State grants	17,900	17,900	0	17,900
<i>Total revenues</i>	<u>232,900</u>	<u>232,900</u>	<u>153,934</u>	<u>(43,166)</u>
EXPENDITURES				
Current:				
Public safety	187,572	187,572	173,790	13,782
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>187,572</u>	<u>187,572</u>	<u>173,790</u>	<u>13,782</u>
<i>Excess (deficiency) of revenues over expenditures</i>	45,328	45,328	(19,856)	(29,384)
Other Financing Sources (Uses):				
Operating transfers in (out)	(11,741)	(11,741)	(11,741)	0
<i>Total other financing sources (uses)</i>	<u>(11,741)</u>	<u>(11,741)</u>	<u>(11,741)</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$33,587</u>	<u>\$33,587</u>	<u>(\$31,597)</u>	<u>(\$29,384)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$31,597)
Adjustments for revenue accruals	(13,705)
Adjustments for expenditures accruals	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	(\$45,302)

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
HEALING HOUSE
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue	\$25,657	\$25,657	\$26,106	\$449
State grants	201,261	211,261	197,846	(13,415)
Federal grants	145,230	145,230	117,764	(27,466)
<i>Total revenues</i>	<u>372,148</u>	<u>382,148</u>	<u>341,716</u>	<u>(40,432)</u>
EXPENDITURES				
Current:				
General government	0	0	0	0
Public works	38,562	38,562	48,207	(9,645)
Health and welfare	355,468	367,383	332,705	34,678
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>394,030</u>	<u>405,945</u>	<u>380,912</u>	<u>25,033</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(21,882)	(23,797)	(39,196)	(15,399)
Other Financing Sources (Uses):				
Operating transfers in (out)	33,000	15,835	15,835	0
<i>Total other financing sources (uses)</i>	<u>33,000</u>	<u>15,835</u>	<u>15,835</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	11,118	(7,962)	<u>(\$23,361)</u>	<u>(\$15,399)</u>
Budgeted cash carryover	0	0		
	<u>\$11,118</u>	<u>(\$7,962)</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$23,361)
Adjustments for revenue accruals	34,460
Adjustments for expenditures accruals	5,937
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$17,036</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
INDIGENT HOSPITAL CLAIMS
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue	\$923,000	\$923,000	\$690,899	(\$232,101)
Interest income	500	500	763	263
<i>Total revenues</i>	<u>923,500</u>	<u>923,500</u>	<u>691,662</u>	<u>(231,838)</u>
EXPENDITURES				
Current:				
Health and welfare	976,072	976,072	758,794	217,278
<i>Total expenditures</i>	<u>976,072</u>	<u>976,072</u>	<u>758,794</u>	<u>217,278</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(52,572)	(52,572)	<u>(\$67,132)</u>	<u>(\$14,560)</u>
<i>Budgeted cash carryover</i>	<u>52,572</u>	<u>52,572</u>		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$67,132)
Adjustments for revenue accruals	(5,085)
Adjustments for expenditures accruals	(27,401)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>(\$99,618)</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
KLCB ALUMINUM
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Federal grants	\$45,000	\$45,000	\$44,550	(\$450)
State grants	86,494	89,494	82,141	(7,353)
Other income	100	100	370	270
<i>Total revenues</i>	<u>131,594</u>	<u>134,594</u>	<u>127,061</u>	<u>(7,533)</u>
EXPENDITURES				
Current:				
General government	99,019	102,019	96,741	5,278
<i>Total expenditures</i>	<u>99,019</u>	<u>102,019</u>	<u>96,741</u>	<u>5,278</u>
<i>Excess (deficiency) of revenues over expenditures</i>	32,575	32,575	30,320	(2,255)
Other Financing Sources (Uses):				
Operating transfers in (out)	18,112	18,112	18,112	0
<i>Total other financing sources (uses)</i>	<u>18,112</u>	<u>18,112</u>	<u>18,112</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$50,687</u>	<u>\$50,687</u>	<u>\$48,432</u>	<u>(\$2,255)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$48,432
Adjustments for revenue accruals	(44,257)
Adjustments for expenditures accruals	826
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$5,001

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
LAW ENFORCEMENT PROTECTION
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
State shared taxes	\$110,000	\$110,000	\$76,967	(\$33,033)
Interest income	0	0	76	76
Federal grants	1,291,475	1,453,090	951,125	(501,965)
State grants/state sources	230,600	230,600	251,593	20,993
Other income	41,000	41,000	16,112	(24,888)
<i>Total revenues</i>	<u>1,673,075</u>	<u>1,834,690</u>	<u>1,295,873</u>	<u>(538,817)</u>
EXPENDITURES				
Current:				
Public safety	1,570,231	1,870,215	1,225,668	644,547
Capital outlay	110,000	110,000	93,004	16,996
<i>Total expenditures</i>	<u>1,680,231</u>	<u>1,980,215</u>	<u>1,318,672</u>	<u>661,543</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(7,156)	(145,525)	(22,799)	122,726
Other Financing Sources (Uses):				
Operating transfers in (out)	0	16,922	16,922	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>16,922</u>	<u>16,922</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(7,156)	(128,603)	<u>(\$5,877)</u>	<u>\$122,726</u>
Budgeted cash carryover	0	0		
	<u>(\$7,156)</u>	<u>(\$128,603)</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$5,877)
Adjustments for revenue accruals	(49,155)
Adjustments for expenditures accruals	(57,741)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>(\$112,773)</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
MIMBRES VALLEY LEARNING CENTER
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
State shared taxes	\$164,400	\$164,400	\$172,725	\$8,325
State grants	0	0	0	0
Charges for services	140,000	140,000	84,869	(55,131)
<i>Total revenues</i>	<u>304,400</u>	<u>304,400</u>	<u>257,594</u>	<u>(46,806)</u>
EXPENDITURES				
Current:				
Culture and recreation	255,000	255,000	241,610	13,390
<i>Total expenditures</i>	<u>255,000</u>	<u>255,000</u>	<u>241,610</u>	<u>13,390</u>
<i>Excess (deficiency) of revenues over expenditures</i>	49,400	49,400	15,984	(33,416)
Other Financing Sources (Uses):				
Operating transfers in (out)	77,500	77,500	77,500	0
<i>Total other financing sources (uses)</i>	<u>77,500</u>	<u>77,500</u>	<u>77,500</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$126,900</u>	<u>\$126,900</u>	<u>\$93,484</u>	<u>(\$33,416)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$93,484
Adjustments for revenue accruals	(1,257)
Adjustments for expenditures accruals	5,328
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$97,555

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
RECREATION
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue	\$0	\$0	\$0	\$0
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Culture and recreation	0	0	0	0
<i>Total expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures</i>	0	0	<u>\$0</u>	<u>\$0</u>
Budgeted cash carryover	0	0		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$0
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$0</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
REAPPRAISAL PROGRAM
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
State shared Taxes	\$0	\$0	\$0	\$0
Charges for services	100,000	100,000	112,224	12,224
<i>Total revenues</i>	100,000	100,000	112,224	12,224
EXPENDITURES				
Current:				
General government	71,861	71,861	22,479	49,382
<i>Total expenditures</i>	71,861	71,861	22,479	49,382
<i>Excess (deficiency) of revenues over expenditures</i>	\$28,139	\$28,139	\$89,745	\$61,606

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$89,745
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	(1,052)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$88,693

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
RECORDING FEES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Charges for services	\$15,200	\$15,200	\$30,268	\$15,068
<i>Total revenues</i>	15,200	15,200	30,268	15,068
EXPENDITURES				
Current:				
General government	6,800	6,800	1,881	4,919
Capital outlay	35,000	35,000	9,936	25,064
<i>Total expenditures</i>	41,800	41,800	11,817	29,983
<i>Excess (deficiency) of revenues over expenditures</i>	(26,600)	(26,600)	<u>\$18,451</u>	<u>\$45,051</u>
<i>Budgeted cash carryover</i>	26,600	26,600		
	\$0	\$0		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$18,451
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$18,451</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
SIROLLI INSTITUTE
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
State grant	\$0	\$0	(\$12,956)	(\$12,956)
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>(12,956)</u>	<u>(12,956)</u>
EXPENDITURES				
Current:				
Health and welfare	0	0	0	0
<i>Total expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>\$0</u>	<u>\$0</u>	<u>(\$12,956)</u>	<u>(\$12,956)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$12,956)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	(\$12,956)

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
SOLID WASTE GRANT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
State shared taxes	\$0	\$0	\$0	\$0
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Public safety	0	0	0	0
<i>Total expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures</i>	0	0	<u>\$0</u>	<u>\$0</u>
Budgeted cash carryover	0	0		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$0
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$0</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
TREASURER'S MOBILE HOME SALES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Other income	\$36,000	\$36,000	\$50,975	\$14,975
<i>Total revenues</i>	<u>36,000</u>	<u>36,000</u>	<u>50,975</u>	<u>14,975</u>
EXPENDITURES				
Current:				
General government	15,000	15,000	5,409	9,591
Capital outlay	25,000	25,000	653	24,347
<i>Total expenditures</i>	<u>40,000</u>	<u>40,000</u>	<u>6,062</u>	<u>33,938</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(4,000)	(4,000)	<u>\$44,913</u>	<u>\$48,913</u>
Budgeted cash carryover	0	0		
	<u>(\$4,000)</u>	<u>(\$4,000)</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$44,913
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	(855)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$44,058</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
VOLUNTEER FIRE DEPARTMENTS
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Federal grants	\$0	\$0	\$0	\$0
Interest income	0	0	1,788	1,788
State grants/state sources	156,232	188,898	188,798	(100)
Other income	0	0	100	100
<i>Total revenues</i>	<u>156,232</u>	<u>188,898</u>	<u>190,686</u>	<u>1,788</u>
EXPENDITURES				
Current:				
Public safety	218,157	278,002	146,096	131,906
Capital outlay	15,031	167,730	61,066	106,664
<i>Total expenditures</i>	<u>233,188</u>	<u>445,732</u>	<u>207,162</u>	<u>238,570</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(76,956)	(256,834)	(16,476)	240,358
Other Financing Sources (Uses):				
Operating transfers in (out)	11,741	11,741	11,741	0
<i>Total other financing sources (uses)</i>	<u>11,741</u>	<u>11,741</u>	<u>11,741</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(65,215)	(245,093)	<u>(\$4,735)</u>	<u>\$240,358</u>
<i>Budgeted cash carryover</i>	<u>65,215</u>	<u>245,093</u>		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$4,735)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	<u>72,041</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u><u>\$67,306</u></u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
CAPITAL PROJECT FUNDS
JUNE 30, 2013

Capital Project Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

County Maintenance Fund – To account for the federal and state grants funds and expenditures by the County for various maintenance projects established by the County which is authorized by NMSA 1978 26-104 6.

Local Infrastructure Capital Improvements Fund – To account for funds set aside by the County Commission to make capital improvements to local infrastructure.

COUNTY OF LUNA
NONMAJOR CAPITAL PROJECT FUND
BALANCE SHEET
JUNE 30, 2013

	Local Infrastructure Capital Improvements Fund
ASSETS	
Cash and cash equivalents	\$410,366
Investments	0
Receivables:	
Due from other governments	2,826
<hr/>	
Total assets	\$413,192
<hr/>	
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$0
<i>Total liabilities</i>	<i>0</i>
<hr/>	
Fund Balance:	
Committed	413,192
<i>Total fund balance</i>	<i>413,192</i>
<hr/>	
Total liabilities and fund balance	\$413,192
<hr/>	

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Local Infrastructure Capital Improvements Fund
REVENUES	
Property tax	\$0
Other income	31,318
<i>Total revenues</i>	31,318
 EXPENDITURES	
Current:	
Capital outlay	25,674
<i>Total expenditures</i>	25,674
 <i>Excess (deficiency) of revenues over expenditures</i>	 5,644
 Other Financing Sources (Uses):	
Transfers in	700,000
Transfers out	0
Capital transfers in (out)	(388,661)
<i>Total other financing sources (uses)</i>	311,339
 <i>Net changes in fund balances</i>	 316,983
 Fund balance - beginning of year	 96,209
Fund balance - end of year	\$413,192

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
COUNTY MAINTENANCE
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Intergovernmental revenue	\$500	\$500	\$689	\$189
Interest income	30,000	30,000	268,057	238,057
Federal grants	667,918	754,208	468,095	(286,113)
State grants	442,000	442,000	88,362	(353,638)
Other	0	0	0	0
<i>Total revenues</i>	<u>1,140,418</u>	<u>1,226,708</u>	<u>825,203</u>	<u>(401,505)</u>
EXPENDITURES				
Current:				
General government	0	0	(35,413)	35,413
Public works	0	0	0	0
Health and welfare	0	0	0	0
Culture and recreation	0	0	0	0
Capital outlay	1,177,538	1,268,628	722,944	545,684
<i>Total expenditures</i>	<u>1,177,538</u>	<u>1,268,628</u>	<u>687,531</u>	<u>581,097</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(37,120)	(41,920)	137,672	179,592
Other Financing Sources (Uses):				
Operating transfers in (out)	21,908	21,908	21,908	0
<i>Total other financing sources (uses)</i>	<u>21,908</u>	<u>21,908</u>	<u>21,908</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(15,212)	(20,012)	<u>\$159,580</u>	<u>\$179,592</u>
<i>Budgeted cash carryover</i>	<u>15,212</u>	<u>20,012</u>		
	<u>\$0</u>	<u>\$0</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$159,580
Adjustments for revenue accruals	(311,235)
Adjustments for expenditures accruals	28,457
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	(\$123,198)

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
LOCAL INFRASTRUCTURE CAPITAL IMPROVEMENTS
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Charges for services - Starmax	\$16,800	\$16,800	\$28,492	\$11,692
<i>Total revenues</i>	16,800	16,800	28,492	11,692
EXPENDITURES				
Capital outlay	700,000	700,000	414,335	285,665
<i>Total expenditures</i>	700,000	700,000	414,335	285,665
<i>Excess (deficiency) of revenues over expenditures</i>	(683,200)	(683,200)	(385,843)	297,357
Other Financing Sources (Uses):				
Operating transfers in (out)	700,000	700,000	700,000	0
<i>Total other financing sources (uses)</i>	700,000	700,000	700,000	0
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	\$16,800	\$16,800	\$314,157	\$297,357

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$314,157
Adjustments for revenue accruals	2,826
<u>Adjustments for expenditures accruals</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$316,983

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
DEBT SERVICE FUNDS
JUNE 30, 2013

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Entertainment Complex Bond – To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs specifically for the building of the entertainment complex. The fund's source of revenue is bond proceeds. The authority to create this fund is by County ordinance.

Judicial Bond – To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs specifically for the building of the Sixth Judicial District Court. The fund's source of revenue is bond proceeds. The authority to create this fund is by County ordinance.

COUNTY OF LUNA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2013

	Entertainment Complex Bond	Judicial Bond	Totals
ASSETS			
Cash and cash equivalents	\$0	\$0	\$0
Investment	0	0	0
Receivables:			
Due from other governments	117,539	58,769	176,308
Grants	0	0	0
Accounts receivable	0	0	0
Due from other funds	0	0	0
Interfund receivable	0	0	0
Restricted cash and cash equivalents	970,428	317,433	1,287,861
Total assets	\$1,087,967	\$376,202	\$1,464,169
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$0	\$0	\$0
Accrued salaries	0	0	0
Bank overdraft	0	0	0
Interest payable	0	0	0
Due to other funds	0	0	0
Deferred revenue	0	0	0
Total liabilities	0	0	0
Fund Balance:			
Nonspendable	0	0	0
Restricted	1,087,967	376,202	1,464,169
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0
Total fund balance	1,087,967	376,202	1,464,169
Total liabilities and fund balance	\$1,087,967	\$376,202	\$1,464,169

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Entertainment Complex Bond	Judicial Bond	Totals
REVENUES			
State shared taxes	\$685,814	\$342,878	\$1,028,692
Intergovernmental	0	0	0
Charges for services	0	0	0
Interest income	0	0	0
Bond proceeds	0	0	0
Federal operating grants	0	0	0
State operating grants	0	0	0
Other income	0	0	0
<i>Total revenues</i>	685,814	342,878	1,028,692
EXPENDITURES			
Current:			
General government	0	0	0
Public safety	0	0	0
Health and welfare	0	0	0
Capital outlay	0	0	0
Debt service:			
Principal	161,856	125,908	287,764
Interest expense	383,675	164,780	548,455
<i>Total expenditures</i>	545,531	290,688	836,219
<i>Excess (deficiency) of revenues over expenditures</i>	140,283	52,190	192,473
Other Financing Sources (Uses):			
Transfers in	0	0	0
Transfers out	0	0	0
<i>Total other financing sources (uses)</i>	0	0	0
<i>Net changes in fund balance</i>	140,283	52,190	192,473
Fund balance - beginning of year	947,684	324,012	1,271,696
<i>Fund balance - end of year</i>	\$1,087,967	\$376,202	\$1,464,169

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
ENTERTAINMENT COMPLEX BOND
DEBT SERVICE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
State shared taxes	\$700,000	\$700,000	\$690,899	(\$9,101)
EXPENDITURES				
Principal and interest	539,862	539,862	545,531	(5,669)
<i>Excess (deficiency) of revenues over expenditures</i>	<i>\$160,138</i>	<i>\$160,138</i>	<i>\$145,368</i>	<i>(\$14,770)</i>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$145,368
Adjustments for revenue accruals	(5,085)
Adjustments for expenditures accruals	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$140,283

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
JUDICIAL BOND
DEBT SERVICE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
State shared taxes	\$350,000	\$350,000	\$345,450	(\$4,550)
EXPENDITURES				
Principal and interest	287,969	287,969	290,688	(2,719)
<i>Excess (deficiency) of revenues over expenditures</i>	<i>\$62,031</i>	<i>\$62,031</i>	<i>\$54,762</i>	<i>(\$7,269)</i>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$54,762
Adjustments for revenue accruals	(2,572)
Adjustments for expenditures accruals	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$52,190

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES
COMBINING BALANCE SHEET
JUNE 30, 2013

	Special Revenue	Capital Projects	Debt Service	Total
ASSETS				
Cash and cash equivalents	\$1,483,749	\$410,366	\$0	\$1,894,115
Investments	0	0	0	0
Receivables:				
Due from other governments	246,475	2,826	176,308	425,609
Grants	710,923	0	0	710,923
Accounts receivable	0	0	0	0
Property tax receivable	17,746	0	0	17,746
Due from other funds	443,307	0	0	443,307
Interfund receivable	0	0	0	0
Restricted cash and cash equivalents	0	0	1,287,861	1,287,861
Total assets	\$2,902,200	\$413,192	\$1,464,169	4,779,561
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$151,763	\$0	\$0	\$151,763
Accrued salaries	22,588	0	0	22,588
Accrued compensated absences - ST	0	0	0	0
Bank overdraft	0	0	0	0
Interest payable	0	0	0	0
Due to other funds	77,225	0	0	77,225
Deferred revenue	17,726	0	0	17,726
Total liabilities	269,302	0	0	269,302
Fund Balance:				
Restricted	1,667,092	0	1,464,169	3,131,261
Committed	0	413,192	0	413,192
Assigned	965,806	0	0	965,806
Unassigned	0	0	0	0
Total fund balance	2,632,898	413,192	1,464,169	4,510,259
Total liabilities and fund balance	\$2,902,200	\$413,192	\$1,464,169	\$4,779,561

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Special Revenue	Capital Projects	Debt Service	Total
REVENUES				
Property tax	\$0	\$0	\$0	\$0
State shared taxes	739,134	0	1,028,692	1,767,826
Intergovernmental	742,911	0	0	742,911
Charges for services	262,288	0	0	262,288
Interest income	47,422	0	0	47,422
Federal grants	1,283,153	0	0	1,283,153
State grants	1,334,790	0	0	1,334,790
Other income	83,105	31,318	0	114,423
<i>Total revenues</i>	4,492,803	31,318	1,028,692	5,552,813
EXPENDITURES				
Current:				
General government	166,071	0	0	166,071
Public works	48,207	0	0	48,207
Public safety	1,879,590	0	0	1,879,590
Health and welfare	2,069,716	0	0	2,069,716
Culture and recreation	236,282	0	0	236,282
Capital outlay	170,697	25,674	0	196,371
Debt service:				
Principal	0	0	287,764	287,764
Interest expense	0	0	548,455	548,455
<i>Total expenditures</i>	4,570,563	25,674	836,219	5,432,456
<i>Excess (deficiency) of revenues over expenditures</i>	(77,760)	5,644	192,473	120,357
Other Financing Sources (Uses):				
Transfers in	288,937	700,000	0	988,937
Transfers out	(106,406)	0	0	(106,406)
Capital transfers in (out)	0	(388,661)	0	(388,661)
<i>Total other financing sources (uses)</i>	182,531	311,339	0	493,870
<i>Net changes in fund balances</i>	104,771	316,983	192,473	614,227
Fund balance - beginning of year	2,528,127	96,209	1,271,696	3,896,032
Fund balance - end of year	\$2,632,898	\$413,192	\$1,464,169	\$4,510,259

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
ENTERPRISE FUNDS
JUNE 30, 2013

NONMAJOR PROPRIETARY FUND TYPES

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Columbus Stockyard – To account for the receipts generated at the border from Mexico for the crossing of cattle and livestock.

Commissary Fund – To account for the sale of miscellaneous sundry items to inmates housed at the detention facility.

Detention Center – To account for the operations and maintenance of the Detention Facility for the County.

Entertainment Complex – To account for the receipts for the capital improvements to the entertainment complex.

COUNTY OF LUNA
NONMAJOR PROPRIETARY FUNDS
STATEMENTS OF FUND NET POSITION
JUNE 30, 2013

	Columbus Stockyard	Commissary	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$230,689	\$28,703	\$259,392
Accounts receivable	7,356	3,164	10,520
Due from other governments	0	0	0
Due from external sources	0	0	0
<i>Total current assets</i>	238,045	31,867	269,912
Non-Current Assets			
Capital assets	19,975	0	19,975
Accumulated depreciation	(14,506)	0	(14,506)
<i>Total non-current assets</i>	5,469	0	5,469
Total assets	\$243,514	\$31,867	\$275,381
LIABILITIES AND FUND NET POSITION			
Current Liabilities:			
Accounts payable	\$388	\$0	\$388
Accrued salaries	1,258	0	1,258
Due to other funds	347,934	0	347,934
Long-term accrued compensated absences	2,644	0	2,644
<i>Total liabilities</i>	352,224	0	352,224
Fund Net Position:			
Net investment in capital assets	5,469	0	5,469
Unrestricted	(114,179)	31,867	(82,312)
<i>Total fund net position</i>	(108,710)	31,867	(76,843)
Total liabilities and fund net position	\$243,514	\$31,867	\$275,381

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR PROPRIETARY FUNDS
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Columbus Stockyard	Commissary	Total
OPERATING REVENUES			
Cattle crossing revenue	\$84,398	\$0	\$84,398
Starmax revenues	0	0	0
Correction fees	0	0	0
Adult prisoner fees	0	0	0
Juvenile prisoner fees	0	0	0
Miscellaneous revenue	0	46,441	46,441
<i>Total operating revenues</i>	<u>84,398</u>	<u>46,441</u>	<u>130,839</u>
OPERATING EXPENDITURES			
Personnel expenses	115,078	0	115,078
Depreciation	2,854	0	2,854
Other operating costs	17,828	21,608	39,436
<i>Total operating expenditures</i>	<u>135,760</u>	<u>21,608</u>	<u>157,368</u>
<i>Operating income (loss)</i>	(51,362)	24,833	(26,529)
NON-OPERATING REVENUES (EXPENSES)			
Interest revenue	0	0	0
<i>Net income (loss) before transfers</i>	(51,362)	24,833	(26,529)
Operating transfers in (out)	0	0	0
<i>Change in net position</i>	(51,362)	24,833	(26,529)
Total fund net position, beginning of year	(57,348)	7,034	(50,314)
<i>Total fund net position, end of year</i>	<u>(\$108,710)</u>	<u>\$31,867</u>	<u>(\$76,843)</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
NONMAJOR PROPRIETARY FUND TYPES
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Columbus Stockyard	Commissary	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$77,042	\$43,277	\$120,319
Cash payments to suppliers for goods and services	(18,586)	(22,979)	(41,565)
Cash payments to employees for services	(115,171)	0	(115,171)
<i>Net cash provided (used) by operating activities</i>	<i>(56,715)</i>	<i>20,298</i>	<i>(36,417)</i>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:			
Temporary loan - other funds	287,404	0	287,404
Cash received (paid) from intergovernmental sources	0	0	0
Net transfers in (out)	0	0	0
<i>Net cash provided (used) by non-capital and related financing activities</i>	<i>287,404</i>	<i>0</i>	<i>287,404</i>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	0	0	0
<i>Net cash provided (used) by capital and related financing activities</i>	<i>0</i>	<i>0</i>	<i>0</i>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	0	0	0
<i>Net cash provided (used) by investing activities</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Net increase (decrease) in cash</i>	<i>230,689</i>	<i>20,298</i>	<i>250,987</i>
Cash and cash equivalents, beginning of year	0	8,405	8,405
<i>Cash and cash equivalents, end of year</i>	<i>\$230,689</i>	<i>\$28,703</i>	<i>\$259,392</i>
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	(\$51,362)	\$24,833	(\$26,529)
Depreciation	2,854	0	2,854
Receivables	(7,356)	(3,164)	(10,520)
Accrued expenses and wages payable	(93)	0	(93)
Accounts payable	(758)	(1,371)	(2,129)
<i>Net cash provided (used) by operating activities</i>	<i>(\$56,715)</i>	<i>\$20,298</i>	<i>(\$36,417)</i>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
COLUMBUS STOCKYARDS
ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Charges for services	\$232,000	\$232,000	\$424,975	\$192,975
<i>Total revenues</i>	232,000	232,000	424,975	192,975
EXPENDITURES				
Current:				
Personnel expenditures	130,423	127,801	116,730	11,071
Operating expenditures	39,650	42,272	17,025	25,247
<i>Total expenditures</i>	170,073	170,073	133,755	36,318
<i>Excess (deficiency) of revenues over expenditures</i>	\$61,927	\$61,927	\$291,220	\$229,293

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$291,220
Adjustments for revenue accruals	(340,577)
Adjustments for expenditures accruals	(2,005)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	(\$51,362)

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

COMMISSARY

ENTERPRISE FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Other income	\$30,000	\$30,000	\$43,278	\$13,278
<i>Total revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>43,278</u>	<u>13,278</u>
EXPENDITURES				
Current:				
Operating expenditures	25,000	25,000	22,978	2,022
<i>Total expenditures</i>	<u>25,000</u>	<u>25,000</u>	<u>22,978</u>	<u>2,022</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$20,300</u>	<u>\$15,300</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$20,300
Adjustments for revenue accruals	3,163
Adjustments for expenditures accruals	1,370
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$24,833</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

DETENTION CENTER

ENTERPRISE FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Charges for services	\$4,033,340	\$4,033,340	\$4,141,364	\$108,024
Interest income	1,000	1,000	1,720	720
<i>Total revenues</i>	<u>4,034,340</u>	<u>4,034,340</u>	<u>4,143,084</u>	<u>108,744</u>
EXPENDITURES				
Current:				
Personnel expenditures	3,624,760	3,624,760	3,555,742	69,018
Operating expenditures	1,312,100	1,312,100	1,408,876	(96,776)
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>4,936,860</u>	<u>4,936,860</u>	<u>4,964,618</u>	<u>(27,758)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(902,520)	(902,520)	(821,534)	80,986
Other Financing Sources (Uses):				
Operating transfers in (out)	0	1,300,000	1,300,000	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(902,520)	397,480	<u>\$478,466</u>	<u>\$80,986</u>
<i>Budgeted cash carryover</i>	0	0		
	<u>(\$902,520)</u>	<u>\$397,480</u>		

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$478,466
Adjustments for revenue accruals	12,883
Adjustments for expenditures accruals	<u>(315,533)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$175,816</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
ENTERTAINMENT COMPLEX OPERATIONS
ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Rent income	\$60,000	\$60,000	\$21,600	(\$38,400)
<i>Total revenues</i>	<u>60,000</u>	<u>60,000</u>	<u>21,600</u>	<u>(38,400)</u>
EXPENDITURES	0	0	30,600	(30,600)
<i>Total expenditures</i>	<u>0</u>	<u>0</u>	<u>30,600</u>	<u>(30,600)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	60,000	60,000	(9,000)	(69,000)
Other Financing Sources (Uses):				
Operating transfers in (out)	(29,456)	(18,857)	(18,857)	0
<i>Total other financing sources (uses)</i>	<u>(29,456)</u>	<u>(18,857)</u>	<u>(18,857)</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$30,544</u>	<u>\$41,143</u>	<u>(\$27,857)</u>	<u>(\$69,000)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$27,857)
Adjustments for revenue accruals	1,221,764
Adjustments for expenditures accruals	(1,343,177)
Capital contributions	4,000
Capital transfers in	388,661
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$243,391</u>

The Notes to Financial Statements are an integral part of these statements.

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF LUNA
AGENCY FUNDS
JUNE 30, 2013

FIDUCIARY FUND TYPES

Agency Funds

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

Inmate Accounts – The County holds and distributes funds in a custodial capacity for inmates housed at the County Detention Center.

COUNTY OF LUNA
ALL AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013
TAXES COLLECTED FOR OTHERS				
ASSETS				
Cash and cash equivalents	\$149,256	\$5,516,123	\$5,531,555	\$133,824
Property taxes receivable	2,439,268	3,285,235	2,439,268	3,285,235
Total assets	\$2,588,524	\$8,801,358	\$7,970,823	\$3,419,059
LIABILITIES				
Due to other governmental agency	\$2,528,148	\$8,760,386	\$7,930,964	\$3,357,570
Prepaid taxes	14,741	22,142	29,626	7,257
Overpayment of taxes	706	15,913	10,233	6,386
Taxes paid in advance	14,909	2,917	0	17,826
Due to taxpayers	30,020	0	0	30,020
Total liabilities	\$2,588,524	\$8,801,358	\$7,970,823	\$3,419,059
INMATE ACCOUNTS				
ASSETS				
Cash and cash equivalents	\$65,875	\$527,331	\$545,628	\$47,578
Due from inmates	5,323	8,976	0	14,299
Total assets	\$71,198	\$536,307	\$545,628	\$61,877
LIABILITIES				
Due to inmates	\$5,490	\$3,987	\$0	\$9,477
Due to Luna County	3,684	7,712	0	11,396
Due to others	62,024	524,608	545,628	41,004
Total liabilities	\$71,198	\$536,307	\$545,628	\$61,877

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
ALL AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013
TOTAL ASSETS AND LIABILITIES				
ASSETS				
Cash and cash equivalents	\$215,131	\$6,043,454	\$6,077,183	\$181,402
Property taxes receivable	2,439,268	3,285,235	2,439,268	3,285,235
Due from inmates	5,323	8,976	0	14,299
Total assets	\$2,659,722	\$9,337,665	\$8,516,451	\$3,480,936
LIABILITIES				
Due to other governmental agency	\$2,528,148	\$8,760,386	\$7,930,964	\$3,357,570
Prepaid taxes	14,741	22,142	29,626	7,257
Overpayment of taxes	706	15,913	10,233	6,386
Taxes paid in advance	14,909	2,917	0	17,826
Due to taxpayers	30,020	0	0	30,020
Due to inmates	5,490	3,987	0	9,477
Due to Luna County	3,684	7,712	0	11,396
Due to others	62,024	524,608	545,628	41,004
Total liabilities	\$2,659,722	\$9,337,665	\$8,516,451	\$3,480,936

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY OF PUBLIC FUNDS

JUNE 30, 2013

	First New Mexico Bank	Wells Fargo Bank
Total amount of deposits	\$3,602,408	\$523,861
Less FDIC coverage	(250,000)	(250,000)
Total uninsured public funds	3,352,408	273,861
Collateral requirement 50%	1,676,204	136,930
<u>Type of Security</u>	<u>CUSIP Number</u>	<u>Maturity Date</u>
<u>Security Number</u>		
Fannie Mae Fed Home Ln. Mtg. Pool 4.500%	3138AAYX3	3/1/2041
Fannie Mae Fed Home Ln. Mtg. Pool 3.000%	3138AXCP4	11/1/2026
Fannie Mae Fed Home Ln. Mtg. Pool 3.000%	31417ES51	1/1/2043
Fannie Mae Fed Home Ln. Mtg. Pool 3.000%	3138W5GJ1	6/1/2043
Alamogordo, NM	011464FA7	8/1/2017
Alamogordo, NM	01145OCR2	8/1/2021
FFCB	31331SFQ1	11/10/2014
<i>Total pledged securities</i>	3,230,407	287,407
<i>Over (under) pledged</i>	\$1,554,203	\$150,477

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
JUNE 30, 2013

Financial Institution: Account Name	Type of Account	Bank Balance	(Checks) Deposits	Book Balance
CASH				
<u>First New Mexico Bank</u>				
Treasurer	Demand	\$901,461	(\$395,523)	\$505,938
General	Demand	2,700,947	0	2,700,947
CDBG Grant	Demand	100	0	100
Detention Center Accounts:				
Inmate Account	Demand	936	(583)	353
Inmate Account	Demand	394	0	394
Inmate Account	Demand	13,376	0	13,376
Inmate Account	Demand	58,178	(25,544)	32,634
Starmax Account	Demand	12,238	(861)	11,377
<u>Wells Fargo Bank</u>				
Treasurer	Demand	523,861	0	523,861
<u>Western Heritage Bank</u>				
Starmax #328	Demand	7,036	0	7,036
Starmax #352	Demand	10,895	0	10,895
Starmax #360	Demand	29,414	0	29,414
Starmax #409	Demand	60,667	0	60,667
<i>Total bank and book balance</i>		4,319,503	(422,511)	3,896,992
Cash held by Trustee:				
State Treasurer - D/S NMFA	Demand	34,971	0	34,971
State Treasurer - Reserve NMFA	Demand	87,727	0	87,727
<i>Total held with trustee</i>		122,698	0	122,698
INVESTMENTS				
Wells Fargo Securities, Inc.				
Money Market Funds	Investment	194,028	0	194,028
Bonds	Investment	7,572,263	0	7,572,263
Money Market Funds	Investment	4,600	0	4,600
Bonds	Investment	4,952,356	0	4,952,356
<i>Total investments</i>		12,723,247	0	12,723,247
Petty cash on hand		0	0	3,126
<i>Total cash and investments</i>				\$16,746,063

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA

SCHEDULE OF TAX ROLL RECONCILIATION - PROPERTY TAXES RECEIVABLE

JUNE 30, 2013

Property taxes receivable, beginning of year	\$5,628,592
<hr/>	
Changes to tax roll:	
Net taxes charged to Treasurer for fiscal year	12,428,215
Adjustments:	
Increase in property tax receivable	1,285,725
<i>Total taxes charged to Treasurer for fiscal year</i>	<i>13,713,940</i>
<hr/>	
Total receivables before collections	19,342,532
Collections for fiscal year June 30, 2013	11,976,902
<hr/>	
Property taxes receivable, end of year	\$7,365,630
<hr/>	
Property taxes receivable by years:	
2003-2011	\$6,140,396
2012	1,225,234
<hr/>	
Total taxes receivable	\$7,365,630
<hr/>	

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF LUNA
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
JUNE 30, 2013

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Undistributed at Year-End	County Receivable at Year-End
LUNA COUNTY							
General Advalorem							
2003-2011	\$37,851,565	\$339,567	\$35,628,979	\$339,567	\$35,628,979	\$0	\$2,222,586
2012	5,651,722	5,214,784	5,214,784	5,214,784	5,214,784	0	436,938
Total General Advalorem	43,503,287	5,554,351	40,843,763	5,554,351	40,843,763	0	2,659,524
Non-Rendition Fees							
2003-2011	322,233	4,981	208,210	4,981	208,210	0	114,023
2012	40,797	21,575	21,575	21,575	21,575	0	19,222
Total Non-Rendition Fees	363,030	26,556	229,785	26,556	229,785	0	133,245
Re-Appraisal Program							
2003-2011	812,794	7,657	766,675	7,657	766,675	0	46,119
2012	122,684	110,921	110,921	110,921	110,921	0	11,763
Total Re-Appraisal Program	935,478	118,578	877,596	118,578	877,596	0	57,882
Administrative Fees							
2003-2005	0	557	0	557	557	0	0
Total Administrative Fees	0	557	0	557	557	0	0
Total Luna County	\$44,801,795	\$5,700,042	\$41,951,144	\$5,700,042	\$41,951,701	\$0	\$2,850,651
OTHER TAX							
Road Levy							
2003-2011	\$4,855,086	\$62,497	\$3,886,303	\$62,497	\$3,886,303	\$0	\$968,783
2012	861,958	618,743	618,743	618,743	618,743	0	243,215
Total Road Levy	5,717,044	681,240	4,505,046	681,240	4,505,046	0	1,211,998
Livestock							
2003-2011	302,314	2,267	288,050	2,265	288,048	2	14,264
2012	55,959	52,477	52,477	52,475	52,475	2	3,482
Total Livestock	358,273	54,744	340,527	54,740	340,523	4	17,746
State Levy							
2003-2011	4,683,357	44,361	4,416,544	41,569	4,413,752	2,792	266,813
2012	707,710	651,740	651,740	646,493	646,493	5,247	55,970
Total State Levy	5,391,067	696,101	5,068,284	688,062	5,060,245	8,039	322,783
Total Other Taxes	\$11,466,384	\$1,432,085	\$9,913,857	\$1,424,042	\$9,905,814	\$8,043	\$1,552,527

COUNTY OF LUNA
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
JUNE 30, 2013

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Undistributed at Year-End	County Receivable at Year-End
SCHOOL DISTRICTS							
Deming Public Schools							
2003-2011	\$29,261,054	\$261,111	\$27,002,773	\$245,172	\$26,986,834	\$15,939	\$2,258,281
2012	4,199,071	3,801,795	3,801,795	3,770,674	3,770,674	31,121	397,276
Total Deming Public Schools	33,460,125	4,062,906	30,804,568	4,015,846	30,757,508	47,060	2,655,557
Total School Districts	\$33,460,125	\$4,062,906	\$30,804,568	\$4,015,846	\$30,757,508	\$47,060	\$2,655,557
MUNICIPALITIES							
City of Deming							
2003-2011	\$3,642,810	\$36,418	\$3,439,702	\$33,460	\$3,436,744	\$2,958	\$203,108
2012	722,219	675,307	675,307	670,261	670,261	5,046	46,912
Total City of Deming	4,365,029	711,725	4,115,009	703,721	4,107,005	8,004	250,020
Village of Columbus							
2003-2011	460,542	14,505	414,123	14,234	413,852	271	46,419
2012	66,095	55,639	55,639	54,952	54,952	687	10,456
Total Village of Columbus	526,637	70,144	469,762	69,186	468,804	958	56,875
Total Municipalities	\$4,891,666	\$781,869	\$4,584,771	\$772,907	\$4,575,809	\$8,962	\$306,895
GRAND TOTALS	\$94,619,970	\$11,976,902	\$87,254,340	\$11,912,837	\$87,190,832	\$64,065	\$7,365,630

COUNTY OF LUNA
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Participants	Responsible Party for Operations	Descriptions	Beginning and Ending dates	Total Estimated Amount of Project	Contribution 6/30/2013	Audit Responsibility	Revenues and Expenditures Reported on:
Village of Columbus	Luna County	Multi Service Agreement	August 12, 2012 August 12, 2013	\$111,000		Luna County	REV: \$41,259 EXP: \$41,259
City of Deming	Luna County	Multi Service Agreement	July 1, 2012 June 30, 2013	Varies		Luna County	REV: \$727,049 EXP: \$727,049

The Notes to Financial Statements are an integral part of these statements.

ADDITIONAL FEDERAL INFORMATION

COUNTY OF LUNA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Program Title	Federal CFDA Number or Agency Prefix	Project Number	Award Amount	Accrued or (Deferred) Revenue at June 30, 2012	Receipts	Expenditures	Accrued or (Deferred) Revenue at June 30, 2013
<u>U.S. Department of Housing and Urban Development</u>							
Passed through New Mexico							
Department of Finance and Administration							
Community Development Block Grant	14.251	10-C-RS-I-06-G-112	\$50,000	\$0	(\$47,352)	\$47,352	\$0
Passed through New Mexico							
Mortgage Finance Authority							
Emergency Homeless Assistance	14.231	12-02-HLH-EHA	16,570	0	(13,392)	16,092	2,700
Emergency Homeless Assistance	14.231	11-02-HLH-EHA	13,330	1,692	(1,692)	0	0
Total U.S. Department of Housing and Urban Development			\$79,900	\$1,692	(\$62,438)	\$63,444	\$2,700
<u>U.S. Department of Health and Human Services</u>							
Optum Health - PFSII Strat Prevention	93.243		\$48,300	\$0	(\$3,081)	\$13,243	\$10,162
Healthy Start Initiative	93.928	4 H67MC00011-10-03	178,125	0	(90,419)	150,958	60,539
Healthy Start Initiative	93.928	5 H67MC00011-09-00	712,500	50,203	(83,093)	32,890	0
Total U.S. Department of Health and Human Services			\$938,925	\$50,203	(\$176,593)	\$197,091	\$70,701
<u>U.S. Department of Justice</u>							
VOCA	16.575	2013-VA-915	\$41,050	\$0	(\$17,877)	\$36,163	\$18,286
VOCA - CASA	16.575	2013-VA-916	31,436	0	(21,005)	32,531	11,526
VOCA	16.575	2012-VA-715	31,436	5,225	(5,225)	0	0
VOCA - CASA	16.575	2012-VA-714	41,050	4,052	(4,052)	0	0
VAWA	16.588	2012-WF-AX-0023	35,000	0	0	0	0
VAWA	16.588	2011-WF-AX-0021	20,000	0	(18,813)	20,000	1,187
VAWA Liason	16.588	2011-WF-AX-0021	30,515	0	(28,844)	30,515	1,671
VAWA	16.588	2010-WF-612	22,500	4,047	(4,047)	0	0
Enhanced Border							
Southwest NM Border Law							
Enforcement Alliance	16.753	2009-DI-BX-0266	375,000	1,493	(51,632)	50,139	0
Assistance to Rural Law Enforcement - ARRA	16.810	2010-SD-B9-0001	225,000	26,150	(75,457)	49,307	0
Law Enforcement Technology Grant - COPS	16.710	2010-CK-WX-0061	250,000	14,978	(39,649)	24,671	0
Hiring Program Grant - COPS	16.710	2012 UNMWX0139	250,000	0	(9,549)	15,017	5,468
Total U.S. Department of Justice			\$1,352,987	\$55,945	(\$276,150)	\$258,343	\$38,138

COUNTY OF LUNA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Program Title	Federal CFDA Number or Agency Prefix	Project Number	Award Amount	Accrued or (Deferred) Revenue at June 30, 2012	Receipts	Expenditures	Accrued or (Deferred) Revenue at June 30, 2013
<u>U.S. Department of Homeland Security</u>							
Passed through Department of Homeland Security and Emergency Management							
<u>FEMA</u>							
Emergency Food and Shelter Program	97.024	608000-009	\$4,611	\$0	(\$2,305)	\$4,611	\$2,306
State Homeland Security Grant Program	97.067	2009-SS-T0-0011-Luna	77,500	0	(76,165)	76,165	0
State Homeland Security Grant Program	27.703	HMMP0257110100	4,800	0	(2,718)	2,718	0
State Homeland Security Grant Program	97.067	EMV-2011-SS-00094-S01-luna	85,411	0	(9,782)	36,093	26,311
Sheltering Security Grant Program	97.067	2008-GE-T8-0020-luna	24,000	0	(21,794)	21,794	0
Emergency Management Performance Grant Program	97.042	EMV-2011-SS-00051-luna	15,097	0	0	14,511	14,511
Operation Stonegarden	97.067	2009-SG-T9-0001	1,133,174	77,523	(80,540)	3,017	0
Operation Stonegarden	97.067	2009-SJ-T9-0001	639,077	165,201	(262,003)	96,802	0
Operation Stonegarden	97.067	2010-SS-T0-0011	1,233,174	0	(458,915)	693,696	234,781
Operation Stonegarden	97.067	2011-SS-00094-S01	1,203,067	0	0	0	0
Operation Stonegarden	97.067	2012-SS-00097-S01-Luna	950,000	0	0	0	0
<u>Total U.S. Department of Homeland Security</u>			\$5,368,911	\$242,724	(\$914,222)	\$949,407	\$277,909
<u>U.S. Department of Energy</u>							
Rural Recycling Development Grant	81.128	DE-EE0003799	\$45,000	\$0	(\$44,550)	\$44,550	\$0
<u>U.S. Environmental Protection Agency</u>							
EPA - Brownfield	66 xxx	Coop Agreement BF-00F14001-0	\$200,000	\$7,245	(\$152,529)	\$145,284	\$0
<u>General Services Administration</u>							
Port of Entry - Columbus	39.xxx	GS-07P-02-UFC-1038A	\$4,213,754	\$142,735	(\$132,783)	\$31,176	\$41,128
<u>Total Expenditures of Federal Awards</u>			\$12,200,477	\$500,544	(\$1,759,263)	\$1,689,295	\$430,576

N/A - Not Available

Basis of Presentation:

The above schedule of expenditures of federal awards includes the federal grant activity of County of Luna and is presented on the accrual basis of accounting.

This information in this schedule is presented in accordance with the requirements of OMB Circular A.133, "Audits of State, Local Governments, and Non-Profit Organizations."

Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

COUNTY OF LUNA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013

NOTE 1. BASIS OF PRESENTATION

Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of the County of Luna (the "County"). The County is defined in Note 1. of the County's financial statements. All federal awards received, including those received through other agencies are included on the schedule.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1. of the County's financial statements.



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

Independent Auditor's Report

Mr. Hector H. Balderas, State Auditor and
The Board of Commissioners
County of Luna
Deming, 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 of the general fund and major special revenue funds of the County of Luna as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County of Luna's basic financial statements, and the combining and individual fund and related budgetary comparisons of the County of Luna, presented as supplemental information, and have issued our report thereon dated November 6, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Luna'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 of Luna's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Luna's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. 2013-02

Mr. Hector H. Balderas, State Auditor and
The Board of Commissioners
County of Luna
Deming, New Mexico
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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. 2013-01, 2013-03, 2012-02, 2011-03, 2009-01 and 2008-02

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Luna's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2009-01 and 2008-02.

The County of Luna's Response to Findings

The County of Luna's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County of Luna'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Luna's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kriegel/Gray/Shaw & Co., P.C.

Kriegel/Gray/Shaw & Co., P.C.
Las Cruces, New Mexico
November 6, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Mr. Hector H. Balderas, State Auditor and
The Board of Commissioners
County of Luna
Deming, New Mexico

Report on Compliance for Each Major Federal Program

We have audited County of Luna'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 County of Luna's major federal programs for the year ended June 30, 2013. County of Luna'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 its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of County of Luna'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 County of Luna'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 County of Luna's compliance.

Opinion on Each Major Federal Program

In our opinion, County of Luna complied, in all material respects, with the types of 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, 2013.

Mr. Hector H. Balderas, State Auditor and
The Board of Commissioners
County of Luna
Deming, New Mexico
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Report on Internal Control over Compliance

Management of County of Luna is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Luna's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 County of Luna'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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-01 that we consider to be a significant deficiency.

County of Luna's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Luna's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Kriegel/Gray/Shaw Co., P.C.

Kriegel/Gray/Shaw & Co., P.C.
Las Cruces, New Mexico
November 6, 2013

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of Auditor’s Report issued: **Unqualified**

Internal Control Over Financial Reporting:

Material weakness(es) identified? X Yes No

Significant deficiencies identified that are not considered to be material weaknesses? X Yes No

Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal Control Over Major Programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? X Yes No

Type of Auditor’s Report issued on compliance for major programs: **Unqualified**

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

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.067	Operation Stonegarden
93.926	Healthy Start Initiative
66.xxx	EPA – Brownfields Assessment

Dollar threshold used to distinguish between Type A and Type B Programs: **\$300,000**

Auditee qualified as low-risk auditee? Yes X No

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR SIGNIFICANT DEFICIENCIES:

2013-01 Procurement Law Violation – Significant Deficiency

Statement of Condition – During test work, we concluded that one out of eight procurement purchases did not follow state procurement law. The purchase was for digital projectors for \$390,575.

Criteria – Under New Mexico statute, the County is required to follow the competitive sealed bid process for large purchases over \$20,000. (NMAC 1.4.1)

Cause – Management override of internal controls over procurement purchases.

Effect – Violation of State statute NMAC 1.4.1.14

Recommendation – Comply with New Mexico state procurement law.

Management's Response – Luna County had a management firm running our entertainment complex that performed due diligence in obtaining firm quotes from the three film companies in the US. It was determined due to timing to complete a digital conversion that it was in the best interests of Luna County to proceed with the written documentation obtained from the management firm at the time. Luna County requested a legal opinion at the time as to whether the procurement laws applied which was inconclusive. Luna County will continue to be diligent in procuring goods and services according to the Procurement Code and the Luna County Procurement Policy.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR SIGNIFICANT DEFICIENCIES (CONTINUED):

2013-02 Unrecorded Capitalization of Completed Construction in Process (CIP) - Material Weakness

Statement of Condition – During test work, we noted that the client did not capitalize three large construction in process (CIP) projects that were completed. Two out of three of the projects were completed in fiscal year 2012 and one out of three was completed in fiscal year 2013. The cost for each project is as follows:

Colonias Initiative	\$242,678
Dispatch Equipment	278,727
Total	\$521,405

Criteria – CIP should be capitalized and depreciated at the date the project is completed and put into service.

Cause – Lack of communication between capital asset manager and CIP manager.

Effect – Potential for understatement of depreciation expense and overstatement of net book value of assets.

Recommendation – Establish and implement procedures to ensure the capitalization of completed CIP projects to include documentation and communication of project status by project managers to the capital asset manager.

Management's Response – In the past six months Luna County has scheduled monthly meetings between the Grants Administrators, Treasurer and Budget and Procurement that will increase communication to allow for project completion reports for capitalization of completed projects.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR SIGNIFICANT DEFICIENCIES (CONTINUED):

2013-03 Inventory-Road Department – Significant Deficiency

Statement of Condition – During test work, we concluded that the road department consumable inventory is not properly maintained or complete. The following deficiencies were noted:

- Three (\$1,949) (of seventeen tested (\$15,532)) haphazardly selected inventory items that were traced back to the inventory listing had an incorrect count.
- Five (with an estimated cost of \$750) (of seventeen tested \$15,532) haphazardly selected inventory items were not included on the inventory listing.

Criteria – Good internal controls require systematic procedures be performed to count, verify and document consumable inventory at least annually at year end.

Cause – Lack of proper procedures over annual inventory.

Effect – Potential for misappropriation of county inventory items.

Recommendation – The County should develop and implement procedures and documentation to ensure all inventory items are included in the annual inventory count.

Management's Response – Luna County will implement a system of controls over inventory items to capture all consumables.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT STATUS ON PRIOR YEAR FINDINGS:

2012-01 Involuntary Termination Not Paid in Accordance with Employment Law – Significant Deficiency

Resolved and not repeated.

2012-02 No Central Control, Oversight and Reconciliation of Grant Activity – Significant Deficiency

Repeated with modification.

Statement of Condition – Although, a central grant coordinator position was established, accounting records were not regularly reconciled to grant activity.

Criteria – Good internal controls over grant activity requires reconciliation and accountability. The County has a responsibility to be cognizant of all grants and to reconcile grant records on a regular basis to the accounting system.

Cause – Lack of organization and communication.

Effect – Potential for grant noncompliance by the County to go undetected for an extended period of time. Reversion of Healthy Start grant funds not expended timely.

Recommendation – A master list of all grants should be compiled, maintained, and reconciled in a central location describing key criteria for each grant. Grant administrators should be provided detailed revenue and expense reports monthly to reconcile to grant activity. Timely corrections should be made to the accounting records as necessary. Grant status reports should be provided to management on an established periodic basis.

Management's Response – Luna County has implemented a master control file for all grant activity to be reported centrally and reconciled on a monthly basis.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):

2012-03 PERA Exclusion Forms Not in Employee File – Significant Deficiency

Resolved and not repeated.

2012-04 Audit Report Not Submitted Timely – Significant Deficiency

Resolved and not repeated.

2011-03 Communication between Departments Not Adequate – Significant Deficiency

Repeated.

Statement of Condition – County departments do not communicate enough to provide adequate information to one another so that County business is recorded in the most efficient and effective manner.

Criteria – Although the accounting and fiscal functions of New Mexico counties are separated between the treasurer's office and the finance office by state law, good internal controls require comparison and reconciliation on a regular basis to appropriately reflect county transactions.

Cause – Segregation by state law of the accounting functions and lack of team work and communication.

Effect – Incorrect recording of transactions may not be identified and corrected timely, capital assets arising from construction projects may not be recorded accurately and timely and reconciliation processes may not be complete without timely and appropriate input from various County departments.

- NMFA loan and intercepted revenues and payments not recorded.
- Construction in progress not recorded timely.
- Cash balances versus investment balances not separately identified by fund which led to deficit budgeting.

Recommendation – Regularly scheduled meetings should be held to review monthly reconciliations including the review of the treasurer's report, the budget report, capital asset schedules, and project management schedules. In addition, all grant administrators should meet regularly with finance and the treasurer's office to reconcile and communicate grant activity including a review of capital asset schedules to insure the proper and timely capitalization of assets purchased with grant funds.

Management's Response – Luna County has implemented a monthly meeting between the Grants Administrators, Treasurer and Budget and Procurement. Reconciliation of grants, capital assets and cash balances are to be included.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):

2008-02 Legal Compliance with Budget – Significant Deficiency and Compliance

Repeated with modification.

Statement of Condition – The County’s authorized budget was exceeded by actual expenditures. The County violated state statutes by exceeding the authorized budget within the following funds:

Fund	Budget Amount	Actual Amount	Over Expended
Road	\$2,692,902	\$3,002,548	(\$309,646)
Ambulance 1/8% GRT	\$340,000	\$348,336	\$8,336
DWI Treatment Fees	\$3,652	\$5,058	\$1,406
Entertainment Complex Bond	\$539,862	\$545,531	\$5,669
Judicial Bond	\$287,969	\$290,688	\$2,719
Detention Center	\$4,936,860	\$4,964,618	\$27,758
Entertainment Complex Operations	\$0	\$30,600	\$30,600

Criteria – Section 6-6-6 of the New Mexico State Statutes restricts all officials and governing authorities from approving claims in excess of the approved budget. Additionally, Section 6-6-6 prohibits any payments in excess of the approved budget. County officials and governing authorities have the obligation to follow applicable state statutes.

Cause – Entertainment Complex Bond and Judicial Bond: Bond payments were made using the Maturity Schedule; however bond payment amounts were budgeted using the Debt Repayment Schedule.

Effect – Noncompliance with the New Mexico State Statutes could jeopardize future funding opportunities.

Recommendation – We suggest that management closely monitor expenditures and budget limitations to ensure compliance with budget restrictions.

Management’s Response – The Budget and Procurement Director will monitor on a monthly basis expenditure and budget limitations to ensure compliance with budget restrictions. Expenditures between departments will be discussed to ensure budgeted amounts are accurate and sufficient.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):

2009-01 Designated Cash Exceeded Available Balance – Significant Deficiency and Compliance

Repeated with modification.

Statement of Condition – The County expenditure budgets exceeded the available projected revenues and cash carryover balances in the following funds:

Road Fund	\$374,659
Community Services (formerly Healthy Start)	\$36,792
Healing House	\$7,962
Law Enforcement Protection	\$128,603
Treasurer’s Mobile Home Sales	\$4,000

Criteria – According to 2.2.2.10 NMCA if budgeted expenditures exceed budgeted revenues then that amount must not exceed the beginning of fiscal year cash.

Cause – Inadequate monitoring of the County’s budgeting procedures.

Effect – Potential for funds to over expend their resources resulting in unapproved loans from general fund.

Recommendation – Budget for future years should be revised to insure all funds have adequate projected revenues and cash carryovers for appropriations. Greater attention should be given to the budget monitoring process.

Management’s Response – Grant budgets for future years will be designated and recorded upon receipt of grant award letter or grant contract only. Cash and investments will be separated to allow easy determination of actual cash balances available.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**CURRENT YEAR FINDINGS AND QUESTIONED COSTS –
MAJOR FEDERAL AWARD PROGRAM AUDIT:**

2013-01 Healthy Start Grant – Unreconciled Grant Balance/Status – Significant Deficiency

Program Name	Program CFDA	Federal Award Number	Project Year	Federal Awarding Agency	Pass through entity
Healthy Start	93.926	H67MC000-11-10-00	N/A	Department of Health & Human Services	N/A

Questioned Costs – None.

Statement of Condition – During test work, we concluded the client provided balance of unexpended funds for the Healthy Start grant was understated. Client indicated that there were zero unexpended grant funds at June 30, 2013. We determined \$27,167 of unexpended grant funds existed at June 30, 2013 that will consequently be reverted back to the grantor.

Criteria – Timely reconciliations between the general ledger and grant expenditures should be performed by the grant administrator.

Cause – Change in personnel and inadequate grant expenditure reconciliations.

Effect – Potential for over expending or under expending of grant funds.

Recommendation – A master list of all grants should be compiled, maintained, and reconciled in a central location describing key criteria for each grant. Grant administrators should be provided detailed revenue and expense reports monthly to reconcile to grant activity. Timely corrections should be made to the accounting records as necessary. Grant status reports should be provided to management on an established periodic basis.

Management’s Response – Grant reconciliation will be conducted monthly during monthly meetings attended by the Grant Administrators, Treasurer and Budget and Procurement. Status reports will be provided to Management on a regular basis.

COUNTY OF LUNA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**PRIOR YEAR FINDINGS AND QUESTIONED COSTS –
MAJOR FEDERAL AWARD PROGRAM AUDIT:**

2012-04 Healthy Start Grant – No Control Over Expenditures – Significant Deficiency

Resolved and not repeated.

2010-02 Capital Asset Records do not Identify Assets Acquired with Federal Funds – Significant Deficiency

Resolved and not repeated.

COUNTY OF LUNA
EXIT CONFERENCE
JUNE 30, 2013

EXIT CONFERENCE:

The exit conference was held November 7, 2013 and was attended by the following:

From County of Luna:

Kelly Kuenstler, County Manager
R. Javier Diaz, Commissioner
Joanne Hethcox – Budget & Procurement Director
Dora Madrid, Treasurer
Gloria Rodriguez, Chief Deputy Treasurer

From Kriegel/Gray/Shaw & Co., P.C.:

Debbie Gray, CPA/Shareholder
Thomas Baker, Staff Auditor
Lucio Luttrell, Staff Auditor

FINANCIAL STATEMENTS PREPARATION

Preparation of financial statements is the responsibility of management. Although, the County of Luna's personnel provided significant assistance in the preparation, the statements and related footnotes were prepared by Kriegel/Gray/Shaw & Co., P.C.